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To: Councillor Flynn, Convener; Councillor Yuill, Vice Convener; and Councillors Jackie Dunbar, Duncan, Graham, Lumsden, Avril MacKenzie, Reynolds and Townson.

Town House,
ABERDEEN 17 September 2019

AUDIT, RISK AND SCRUTINY COMMITTEE

The Members of the **AUDIT, RISK AND SCRUTINY COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **WEDNESDAY, 25 SEPTEMBER 2019 at 2.00 pm.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

NOTIFICATION OF URGENT BUSINESS

1.1 There are no items of urgent business at this time

DETERMINATION OF EXEMPT BUSINESS

2.1 Members are requested to determine that any exempt business be considered with the Press and Public excluded

DECLARATIONS OF INTEREST

3.1 Members are requested to intimate any declarations of interest (Pages 5 - 6)

DEPUTATIONS

4.1 There are no requests at this time

MINUTE OF PREVIOUS MEETING

- 5.1 Minute of Previous Meeting of 26 June 2019 (Pages 7 - 18)

COMMITTEE PLANNER

- 6.1 Committee Business Planner (Pages 19 - 26)

NOTICES OF MOTION

- 7.1 There are none at this time

COMMITTEE BUSINESS

Risk Management

- 8.1 Corporate Risk Register - GOV/19/379 (Pages 27 - 54)

- 8.2 Music Service - OPE/19/387 (Pages 55 - 66)

Internal Audit

- 8.3 Internal Audit Progress Report - IA/19/011 (Pages 67 - 82)

- 8.4 Internal Audit Follow up on Recommendations - IA/19/012 (Pages 83 - 108)

- 8.5 Cyber Security - IA/AC/2005 (Pages 109 - 122)

- 8.6 Risk Management - IA/AC/2004 (Pages 123 - 132)

- 8.7 Rent Collection and Arrears Management - IA/AC/2006 (Pages 133 - 146)

Annual Reports and Accounts

- 8.8 Information Governance Annual Statement 2018-19 - COM/19/325 (Pages 147 - 164)

Legal Obligations

- 8.9 RIPSA Quarterly Report - GOV/19/291 (Pages 165 - 170)

Scrutiny

- 8.10 Scottish Public Services Ombudsman Decisions and Inspector of Cremations Complaint Decisions - CUS/19/373 (Pages 171 - 178)

EXEMPT/CONFIDENTIAL BUSINESS

- 9.1 There are no items of exempt business at this time

EHRIAs related to reports on this agenda can be viewed [here](#)

To access the Service Updates for this Committee please click [here](#)

Website Address: www.aberdeencity.gov.uk

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DECLARATIONS OF INTEREST

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons

For example, I know the applicant / I am a member of the Board of X / I am employed by... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

OR

I have considered whether I require to declare an interest in item (x) for the following reasons however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

OR

I declare an interest in item (x) for the following reasons however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
 - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
 - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

OR

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval
- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 26 June 2019. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Flynn, Convener; Councillor Yuill, Vice-Convener; and Councillors Donnelly (as substitute for Councillor Graham from article 9 of this minute), Jackie Dunbar, Duncan, Graham (up to article 9 of this minute), Lumsden, Avril MacKenzie, Reynolds and Townson.

The agenda and associated reports associated with this minute can be found at:-

<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=507&MIId=6767>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 9.1 (Equal Pay Review – Exempt Appendix) on the agenda with the press and public excluded.

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of item 9.1 of the agenda (article 18 of this minute) so as to avoid disclosure of information of the classes described in paragraphs 1 and 6 of Schedule 7(A) to the Act.

DECLARATIONS OF INTEREST

2. Members were requested to intimate any declarations of interest in respect of the items on the agenda, thereafter, the following declarations of interest were intimated:-
 - (1) Councillor Duncan and Councillor Avril McKenzie declared an interest in item 8.1 (ALEO Assurance Hub) by virtue of their position as Board Members of Aberdeen Performing Arts and considered that the nature of their interest did not require them to leave during consideration of that item on the agenda; and
 - (2) Councillor Graham declared an interest in item 8.1 (ALEO Assurance Hub) by virtue of his position as a Board Member of Sport Aberdeen and considered that the nature of his interest did not require him to leave during consideration of that item on the agenda.

The Committee resolved:-

to note the declarations.

AUDIT, RISK AND SCRUTINY COMMITTEE
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MINUTE OF PREVIOUS MEETING OF 30 APRIL 2019

3. The Committee had before it the minute of its previous meeting of 30 April 2019.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE BUSINESS PLANNER

4. The Committee had before it the business planner as prepared by the Chief Officer Governance.

The Committee resolved:-

to note the content of the business planner.

ALEO ASSURANCE HUB - GOV/19/294

5. The Committee had before it a report by the Chief Officer Governance which provided assurance on the risk management, financial management and governance arrangements of Arm's Length External Organisations (ALEOs) within the ALEO Assurance Hub's terms of reference.

The report recommended:-

That the Committee -

- (a) note the level of assurance provided by each ALEO on risk management, financial management and governance; and
- (b) note that Assurance Hub officers and ALEO Service Leads would discuss any outstanding issues identified in the appendices and identified at the Audit, Risk and Scrutiny Committee with ALEO representatives, with a view to further improving the assessment ratings at the next Hub meeting.

Councillor Townson asked a question in relation to the reputational damage to the Council for employees on zero-hour contracts. The Interim Democracy Manager advised that the reputational risk was diminished following changes in legislation whereby zero-hour contracts were preferred in most cases compared to casual contracts as they offered protection and no longer prohibited employees working for other employers.

Councillor Jackie Dunbar sought clarification in relation to the assurance ratings within the tables as it seemed that the ratings were not correct. The Assurance Manager advised that she could see where the confusion had come from and would amend the ratings for future reports.

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In relation to Bon Accord Care, Councillor Jackie Dunbar requested information on the number of EU Nationals working for Bon Accord Care. The Assurance Manager advised that she would circulate the information to Members.

In relation to Bon Accord Care, Councillor Jackie Dunbar sought guidance on how often policies were reviewed. The Finance Partner advised that Bon Accord Care reviewed their own documents which were then submitted to the Council to ensure they were satisfied with the content and that the full range of policies would be reviewed over a period of time and reported to the Council.

In relation to Sport Aberdeen, Councillor Townson enquired as to whether the grant for Garthdee Alpine Sports had ceased since the merger with Sport Aberdeen. The Chief Officer Finance advised that Sport Aberdeen received a single payment for them to manage their operations.

Councillor Duncan sought clarification in relation to the differing situations with ALEOs paying either the National Living Wage or the Scottish Living Wage. The Interim Democracy Manager advised that all ALEOs were at least paying the National Living Wage and that some were paying the Scottish Living Wage. He further advised that that there were additional terms nationally and that these were being monitored and would be reflected in future reports.

The Committee resolved:-

- (i) in relation to a comment regarding the way in which the ratings were presented in the assurance rating tables, to note that they would be amended for future reports;
- (ii) in relation to a question relating to the number of EU Nationals working for Bon Accord Care, to note that the Assurance Manager would provide the information via email to the Committee; and
- (iii) to otherwise approve the recommendations contained in the report.

ANTI-MONEY LAUNDERING - GOV/19/298

6. The Committee had before it a report by the Chief Officer Governance which presented the Anti-money Laundering Policy for approval.

The report recommended:-

That the Committee -

- (a) approve the attached Anti-money Laundering Policy; and
- (b) approve the policy being incorporated into the Fraud, Bribery and Corruption Policy during the forthcoming review.

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Councillor Jackie Dunbar asked about the training for employees and how often it was undertaken. The Chief Officer Governance advised that if the Policy was approved that Chief Officers would be asked to identify which employees needed to undertake the online training.

Councillor Duncan sought information in relation to online transactions and whether there was a higher risk to the Council. The report author advised that the online transactions were very small and would be out of scope. The Chief Officer Finance advised that the National Fraud Initiative was looking at patterns of suspicious transactions and follow up on any matching events.

Councillor Townson sought information relating to procedures in place for staff and their safety when dealing with large cash transactions. The report author advised that the training for staff would cover cash transactions and how to deal with anything suspicious.

The Committee resolved:-

to approve the recommendations contained in the report.

INTERNAL AUDIT PROGRESS REPORT - IA/19/009

7. The Committee had before it a report by the Chief Internal Auditor which advised on progress against the approved 2018/19 and 2019/20 Internal Audit Plans.

In relation to the Management of High-risk Contracts audit, Councillor Graham enquired as to whether officers had responded to questions from Internal Audit. The Chief Internal Auditor advised that there had been challenges identifying the correct officers and that responses were still awaited.

The Committee resolved:-

- (i) in relation to a question regarding the internal audit for Management of High-risk Contracts and whether responses were still to be received from officers, to note that the Director of Resources would determine who the appropriate officers were and instruct them to respond to Internal Audit in order to progress the audit; and
- (ii) to otherwise note the content of the report.

INTERNAL AUDIT FOLLOW UP ON RECOMMENDATIONS - IA/19/010

8. The Committee had before it a report by the Chief Internal Auditor which advised on progress made by the relevant Functions with implementing recommendations that had been agreed in Internal Audit reports.

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In relation to the Craft Workers Terms and Conditions audit, Councillor Duncan sought assurance that a report would be discussed at the Staff Governance Committee in October 2019 so that the outstanding audit recommendation could be removed from this report. The Chief Internal Auditor confirmed that the outstanding audit recommendation would remain in this report until Internal Audit were satisfied that the recommendation had been completed. The Chief Officer Operations and Protective Services advised that discussions were ongoing with the Trade Unions and that a report would be presented to the Staff Governance Committee in October addressing the outstanding audit recommendation.

In relation to the Vehicle Usage audit, Councillor Dunbar enquired as to why it was agreed that the recommendation would be completed by April 2019 and whether the Function was confident the recommendations would be complete by October 2019. The Chief Officer Operations and Protective Services advised that when the original audit was undertaken, he thought that the procurement of the vehicles would be completed by April 2019 and that he was confident that the recommendations would be complete by October 2019.

In relation to the Devolved School Management audit, Councillor Jackie Dunbar sought an update on the progress of implementing the audit recommendations. The Chief Officer Corporate Landlord advised that a review from the Scottish Government had just been published which he would be examining to determine any changes required and that he would keep Internal Audit informed and provide a new date for completion.

In relation to the Corporate Landlord Responsibilities audit, recommendation 2.2.3, Councillor Jackie Dunbar requested when the information would be issued to Internal Audit in order for the recommendation to be closed. The Chief Officer Corporate Landlord advised that he would ensure that the information was sent to Internal Audit.

The Committee resolved:-

- (i) in relation to questions raised relating to the Craft Workers Terms and Conditions outstanding audit recommendation, to note that until Internal Audit were satisfied that the audit recommendation had been completed, the item would remain in future reports;
- (ii) to note the responses provided to various questions raised from Members; and
- (iii) to otherwise note the content of the report.

MUSIC CENTRE - IA/AC1925

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Music Service which was undertaken to provide assurance over Music Centre procedures for collecting income, entitlement to concessionary tuition, procurement, payroll and the inventory of musical instruments and sheet music.

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Members raised various concerns in relation to the content of the audit report and asked specific questions regarding the electronic systems to be put in place and whether this would capture historic data as well new data for the new academic session 2019/20, the system for returning instruments and sheet music, the procurement process for instruments and why these issues had not been identified prior to the audit.

In response, the Chief Officer Integrated Children's and Family Services advised that the audit report had assisted management to identify the issues that required to be addressed. He further advised that the online system was almost complete and would be available for the start of the academic session and that other systems were being looked at to capture historic data and processes for returning instruments. He stated that a report outlining the milestones to be completed for all of the recommendations would be prepared.

The Director of Customer Services advised that the Digital and Technology team would be working with colleagues to progress electronic systems and that discussions were already taking place.

The Director of Resources advised that as part of the Internal Audit annual planning, this audit was agreed to be undertaken within this Internal Audit Plan and that Internal Audit had identified areas for improvement.

The Committee resolved:-

- (i) in relation to various questions regarding the audit recommendations and specifically recommendation 2.10.5, to instruct the Chief Officer Integrated Children's and Family Services to provide a report to the next meeting of this Committee outlining the action plan in place to address the audit recommendations; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

DATA SECURITY IN A CLOUD BASED ENVIRONMENT - IA/AC1912

10. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Data Security in a Cloud Based Environment which was undertaken to provide assurance over the Council's arrangements to ensure data security where business was transacted through the Cloud.

The Chief Internal Auditor provided the following update to the Committee:

(1) on agenda page 121, the "Service Response / Action" and "Internal Audit Position" text should be replaced with: "D&T will arrange Council initiated external IT health check reports/security audits for third party suppliers managing Council personal data in the

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cloud as deemed appropriate”, with an associated implementation date of August 2019”; and

(2) on agenda page 110, in the summary, paragraph 5, the final two sentences should be replaced with: “D&T has agreed to arrange Council initiated external IT health check reports/security audits for third party suppliers managing Council personal data in the cloud as deemed appropriate.”

The Committee resolved:-

- (i) to note the updated information provided by the Chief Internal Auditor; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

HEALTH AND SOCIAL CARE PARTNERSHIP CHARGING POLICY - IA/AC1908

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Non Residential Charging Policy which was undertaken to provide assurance that there was a clear charging policy and that it was being complied with.

The Committee resolved:-

to note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

LOCAL AREA NETWORK SCRUTINY SUMMARY

12. The Committee had before it a report by KPMG, External Auditor which set out the planned scrutiny and monitoring for 2019-20. The document advised that Local Scrutiny Plans were no longer required and that the new approach was to embed discussions around risks and responses between scrutiny bodies across the year.

The Committee resolved:-

to note the Local Area Network summary as presented.

EXTERNAL AUDIT ANNUAL AUDIT REPORT

13. The Committee had before it a report by KPMG, External Auditor which presented their annual external audit report and summarised their audit opinions and conclusions on significant issues arising from the audit of the Council’s 2018/19 annual accounts and for registered charities.

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Councillor Lumsden enquired as to whether other Local Authorities produced Committee Annual Effectiveness reports. The External Auditor advised that there was more detail contained in the Aberdeen City Council reports than other Local Authorities.

In relation to the annual effectiveness reports, the Vice Convener advised that each Committee were asked to note the content of the reports and not to approve them.

Councillor Duncan sought clarification in relation to collecting care income statements made on page 172 of the agenda and whether this was an area of concern or because it formed part of the requirements from Audit Scotland. The External Auditor advised that all Local Authorities would have the information in their audit reports as it was a requirement from Audit Scotland.

The Committee resolved:-

- (i) to note that the External Auditor expected to issue an unqualified independent audit opinion for the annual accounts and the registered charities for the financial period 1 April 2018 to 31 March 2019;
- (ii) to note that the External Auditor would amend the report to reflect that Committee noted the Annual Effectiveness Reports rather than approve them; and
- (iii) to otherwise note the content of the report.

AUDITED ANNUAL ACCOUNTS - RES/19/293

14. The Committee had before it a report by the Director of Resources which provided an overview of the Council's 2018/19 audited accounts and for those registered charities where the Council was the sole trustee and where subject to statutory requirements for separate accounts and audit opinions.

The report recommended:-

That the Committee

- (a) approve the Council's audited Annual Accounts for the financial year 2018/19 for signature by the Chief Officer Finance, Chief Executive and the Council Co-leader; and
- (b) approve the audited Annual Accounts 2018/19 for those registered charities where the Council was the sole trustee and nominate a trustee to sign the accounts.

The Committee resolved:-

- (i) to thank the Chief Officer Finance and his team for the significant amount of work undertaken to complete the accounts early and have them before the Committee;
- (ii) to note the thanks from the Chief Officer Finance to his team, external partners and External Audit for the commitment and constructive communication throughout preparation of the accounts and the audit process; and
- (iii) to otherwise approve the recommendations contained in the report.

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RIPSA QUARTERLY REPORT - GOV/19/291

15. The Committee had before it a report by the Chief Officer Governance which advised that it was requirement under paragraph 3.29 of the Scottish Government's Code of Practice for Covert Surveillance and Property interference, that Elected Members review the authority's use of covert surveillance on a quarterly basis to ensure that it was being used consistently with the local authority's policy and that that policy remained fit for purpose.

The report recommended:-

That the Committee note the update within the report.

Councillor Townson sought clarification as to whether the young person test purchase was undertaken by someone underage and what training and safeguards were in place for court appearances for the young person. The report author advised that the young person would be a volunteer underage and that they were fully trained and briefed before each operation and would be accompanied by an Enforcement Officer. He further advised that in order to protect the identity of the young person, the second purchase as part of an operation was filmed and used in court.

The Committee resolved:-

to approve the recommendation contained in the report.

SPSO DECISIONS, INSPECTOR OF CREMATORIA COMPLAINT DECISIONS - CUS/19/292

16. The Committee had before it a report by the Director of Customer Services which provided information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle to provide assurance to Committee that complaints and Scottish Welfare Fund application were being handled appropriately.

The report recommended:-

That the Committee note the details of the report.

The Committee resolved:-

to approve the recommendation contained in the report.

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EQUAL PAY REVIEW - RES/19/297

17. The Committee had before it a report by the Director of Resources which provided information on the audit of Equal Pay in Aberdeen City Council.

The report recommended:-

That the Committee -

- (a) note the content of the report; and
- (b) note that the report would be circulated to the Staff Governance Committee for their information.

Councillor Duncan commended officers for the work done in this area over the years which had resulted in their being no Equal Pay gap across the organisation.

The Convener sought information in relation to low percentage of female apprentices.

The Committee resolved:-

- (i) in relation to a question regarding the low percentage of female apprentices and whether there was a low application rate, to note that traditionally the apprenticeships offered were for Trades, that there were now other apprenticeships available and that the Chief Officer Organisational Development would circulate information by email to the Committee;
- (ii) to otherwise approve the recommendations contained in the report.

In accordance with the decision recorded under article 1 of this minute, the following item of business were considered with the press and public excluded.

EQUAL PAY REVIEW - EXEMPT APPENDIX

18. The Committee had before it an exempt appendix in relation to item 8.13 (Equal Pay Review) on the agenda.

The Committee resolved:-

to note the content of the exempt appendix.

- **COUNCILLOR STEPHEN FLYNN, Convener**

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1	AUDIT, RISK & SCRUTINY COMMITTEE BUSINESS PLANNER The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3	25 September 2019								
4	Internal Audit Progress and Performance	To provide an update on progress for the 2018/19 and 2019/20 audits	a report is on the agenda	David Hughes	Governance	Governance	2.4		
5	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations	a report is on the agenda	David Hughes	Governance	Governance	2.3		
6	Risk Management Policy	To present the Risk Management Policy		Ronnie McKean	Governance	Governance	Purpose 1.2 Remit 1.1	D	An audit of the risk management arrangements is scheduled to be reported to Committee in September, and it would therefore seem timely to report the revised Policy at the next cycle so that any audit recommendations can be taken into account.
7	Corporate Risk Register	To present the Corporate Risk Register	a report is on the agenda	Ronnie McKean	Governance	Governance	Purpose 1.2 Remit 1.1		
8	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.	a report is on the agenda	Lucy McKenzie	Customer Experience	Customer	6.9		
9	Information Governance Annual Report	To provide Committee with an annual report on the Council's information governance performance	a report is on the agenda	Caroline Anderson	Business Intelligence and Performance Management	Commissioning	Remit 1.4		

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10	Timesheets and Allowances	To provide assurance that payments are accurate and justified, and that improvements recommended in previous reviews have been fully implemented.		David Hughes	Governance	Governance	2.2	D	The commencement of the audit was delayed due to the Internal Auditor being on Jury Duty. Internal Audit requested access to the Payroll System on 30 July which to date had not been actioned. There are also difficulties with the Cluster unable to download payroll data from CoreHR to facilitate testing.
11	Travel Policy	To provide assurance that the Council has appropriate arrangements in place and that these are being complied with.		David Hughes	Governance	Governance	2.2	D	The Cluster won't be able to respond until w/c 19/08/19 due to annual leave in the team. The completion of the audit would be further delayed due to the Internal Auditor also being on annual leave.
12	Cyber Security	To provide assurance that the controls detailed in the Corporate Risk Register (Corp006) are effective and that Assurance actions are progressing as planned.	a report is on the agenda	David Hughes	Governance	Governance	2.2		
13	Rent Collection and Arrears Management	To provide assurance over rent collection and arrears recovery procedures.	a report is on the agenda	David Hughes	Governance	Governance	2.2		
14	Car Parking and Bus Lane Enforcement	To provide assurance that procedures regarding income collection and the management of fines are adequate.		David Hughes	Governance	Governance	2.2	D	Internal Audit encountered difficulties in identifying the correct officers to respond to this audit and latterly the Auditor assigned has been off sick

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15	Stock Control	To provide assurance that procedures are adequate and stock movements are adequately accounted for.		David Hughes	Governance	Governance	2.2	D	The commencement of this audit was delayed due to the additional work being required to progress the 2018/19 audit of High Risk Contracts. There has also been delays from the Service nominating contact officers and arranging meetings.
16	Ring Fenced Funding	To provide assurance that the Council has appropriate arrangements in place to ensure that conditions relating to ring-fenced funding contained within Scottish Government Grant are complied with.		David Hughes	Governance	Governance	2.2	D	There has been a delay in commencing this audit due to Internal Audit resource.
17	Risk Management	Previous review undertaken in 2015/16. Internal Audit is required by Public Sector Internal Audit Standards to review risk management arrangements on a regular basis. It is proposed to undertake a review to provide assurance over the arrangements that are currently in operation within the Council.	a report is on the agenda	David Hughes	Governance	Governance	2.2		

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18	Contract Management	To focus on recent identified issues - 3rd Don Crossing - Photovoltaic Panels To include data/intelligence used for monitoring escalation of risk		David Hughes	Governance	Governance	2.2	D	Work commenced on this review but there were delays in identifying the appropriate officers to discuss it with, and obtaining supporting information from various services, in part due to staff being involved in the conclusion of one of the contracts under review. Information was provided shortly after the draft Internal Audit report was issued, and has been incorporated into the final draft which has been provided to the Chief Officer.
19	Shutdown of Non-essential spend	To provide assurance that the shutdown of non-essential spend has been effective in achieving its objective and instructions were complied with.		David Hughes	Governance	Governance	2.2	D	Additional Information from Finance colleagues has been requested in order to complete this audit
20	Income Generation	To provide assurance that budgeted income generation is based on robust assumptions and is being realised		David Hughes	Governance	Governance	2.2	D	Information is awaited from Services to complete this audit.
21	Music Service	Audit, Risk and Scrutiny - 26 June 19	Aa report is on the agenda	G Simpson	Integrated Children's and Family Seervices	Operations	2.3		
22	RIPSA Quarterly Report	Audit, Risk and Scrutiny Committee 26/09/17 the Committee requested that quarterly reports on policy/compliance.	a report is on the agenda	Alan Thomson	Governance	Governance	5.2		

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2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
23	04 December 2019								
24	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.		Lucy McKenzie	Customer Experience	Customer	6.9		
25	Internal Audit Progress and Performance	To provide an update on progress for the 2018/19 and 2019/20 audits		David Hughes	Governance	Governance	2.4		
26	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
27	Civil Contingencies	To provide assurance that the Council has taken the necessary action and has plans in place to mitigate risks identified in the Corporate Risk Register (Corp004) to ensure that it can deliver on its obligations in the event of an emergency.		David Hughes	Governance	Governance	2.2		
28	Transformation	To provide assurance that the Council is continuing to make progress to ensure the success of its transformational aspirations.		David Hughes	Governance	Governance	2.2		
29	Voids	To provide assurance regarding the process for re-letting void properties and compliance therewith.		David Hughes	Governance	Governance	2.2		
30	Cash Collection	To provide assurance over procedures in operation relating to sample of cash collection locations.		David Hughes	Governance	Governance	2.2		
31	Children's Services	To provide assurance over Fostering and Adoption Allowances being paid.		David Hughes	Governance	Governance	2.2		
32	Risk Management - IJB	To review the process for identifying risks, managing them (including performance measures against each risk), and reporting to the IJB.		David Hughes	Governance	Governance	2.2		
33	Industrial and Commercial Property	To provide assurance over the processes in place for letting, recovering rental income, and managing voids for industrial and commercial premises.		David Hughes	Governance	Governance	2.2		

	A	B	C	D	E	F	G	H	I
1	AUDIT, RISK & SCRUTINY COMMITTEE BUSINESS PLANNER								
	The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
34	HR / Payroll System	To provide assurance that there is adequate control over the new CoreHR system and that issues raised in relation to previous system have been addressed.		David Hughes	Governance	Governance	2.2	D	The Cluster has requested that this audit be delayed until January 2020 to allow the team to further embed the system and remain focussed on the current rollout of additional functionality to benefit the organisation. A report is expected in May 2020.
35	Investment Strategy and Investment Performance Management - Pensions Fund	To provide assurance over compliance with the pension fund investment strategy and arrangements in place to monitor the performance of investment managers.		David Hughes	Governance	Governance	2.2		
36	RIPSA Quarterly Report	Audit, Risk and Scrutiny Committee 26/09/17 the Committee requested that quarterly reports on policy/compliance.		Alan Thomson	Governance	Governance	5.2		
37			February 2020						
38	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.		Lucy McKenzie	Customer Experience	Customer	6.9		
39	Internal Audit Progress and Performance	To provide an update on progress for the 2018/19 and 2019/20 audits		David Hughes	Governance	Governance	2.4		
40	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
41	Information Governance	To provide assurance that the controls in place for mitigating the risks identified in the Corporate Risk Register (Corp005) are adequate and operating as expected.		David Hughes	Governance	Governance	2.2		
42	SEEMIS	To provide assurance that appropriate control is being exercised over the system in view of the perceived criticality of the system and the significant volume of sensitive personal data held.		David Hughes	Governance	Governance	2.2		

	A	B	C	D	E	F	G	H	I
1	AUDIT, RISK & SCRUTINY COMMITTEE BUSINESS PLANNER The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
43	School Catering	To provide assurance over income and procurement expenditure relating to school catering operations		David Hughes	Governance	Governance	2.2		
44	Financial Ledger System	To provide assurance over system controls, business continuity and contingency plans.		David Hughes	Governance	Governance	2.2		
45	Gas Servicing Contract	To provide assurance that contractual and operational issues are being complied with		David Hughes	Governance	Governance	2.2		
46	RIPSA Annual Report	To present the RIPSA annual report for 2019/20							
47									
48			April 2020						
49	Internal Audit Progress Report	To provide an update on progress for the 2018/19 and 2019/20 audits		David Hughes	Governance	Governance	2.4		
50	Internal Audit Follow up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
51	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.		Lucy McKenzie	Customer Experience	Customer	6.9		
52	Workforce Planning	To provide assurance that the Council has appropriate and adequate plans in place to determine its workforce requirements and that these are in operation throughout the Council.		David Hughes	Governance	Governance	2.2		
53	Procurement	To provide assurance that the Council has appropriate arrangements in place, that are being complied with, to ensure compliance with procurement legislation and internal regulations.		David Hughes	Governance	Governance	2.2		
54	Performance Management	To provide assurance that the Council has effective performance management arrangements in place which produce accurate data		David Hughes	Governance	Governance	2.2		
55	Craft Workers' Terms and Conditions	To provide assurance that new Terms and Conditions have been implemented and are being complied with.		David Hughes	Governance	Governance	2.2		
56	Commissioned Services	To provide assurance that contract monitoring arrangements relating to Social Care Commissioned Services are adequate.		David Hughes	Governance	Governance	2.2		
57	TBC								

	A	B	C	D	E	F	G	H	I
1	AUDIT, RISK & SCRUTINY COMMITTEE BUSINESS PLANNER The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
58	Marchburn Park	Operational Delivery Committee 19 April 2018 that in regards to Marchburn Park, "to instruct the Chief Officer (Early Intervention and Community Empowerment) to bring a report to Audit following conclusion of all matters detailed within this report."	Audit, Risk and Scrutiny 30 April There has been progress at Marchburn Park however not all of the issues have been completed therefore a report will be submitted at the conclusion of the issues. In the Interim, where there have been significant developments in the project, Service Updates will be submitted.	Neil Carnegie	Early Intervention and Community Empowerment	Customer	6.2		

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	25 th September 2019
REPORT TITLE	Corporate Risk Register and Corporate Assurance Map
REPORT NUMBER	GOV/19/379
CHIEF OFFICER	Fraser Bell
REPORT AUTHOR	Vikki Cuthbert
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

To present the Corporate Risk Register and Assurance Map to provide assurance on the Council's system of risk management.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 note the Corporate Risk Register set out in Appendix A; and
- 2.2 note the Corporate Assurance Map provided at Appendix B.

3. BACKGROUND

Corporate Risk Register

- 3.1 The Audit, Risk and Scrutiny Committee is responsible for overseeing risk management on behalf of the Council and for receiving assurance that the Corporate Management Team (CMT) are effectively identifying and managing risks. Assurance on the strength of the system of risk management is a key role for the Committee.
- 3.2 The Council's Corporate Risk Register (CRR) captures the risks which pose the most significant threat to the achievement of our organisational outcomes and have the potential to cause failure of service delivery and is a tool with which risk is managed by Clusters and Functions.
- 3.3 The CRR is scrutinised by CMT each month after being updated by risk managers and owners. The Risk Management Framework approved by the Audit, Risk and Scrutiny Committee in February 2018 states that the CRR should also be reported here annually. This Framework is being revised and will be reported to the Committee in December. The CRR was last reported to the Committee in September 2018. An updated version is attached to the report at Appendix A.

3.4 Committee is asked to note that the risks contained in the CRR are those which CMT considers the most significant at the time of writing. Risks are also monitored and managed through Cluster Risk Registers and may be escalated to the CRR where deemed necessary. Where CMT is sufficiently assured that significant risks are being managed, they will agree to de-escalate them back to Cluster level. The CRR attached demonstrates this by recording the de-escalated risks.

3.5 The CRR provides the organisation with the detailed information and assessment for each risk identified including;

- **Current risk assessment (score)** – this is initial assessment of the risk by the risk owner prior to the application of any controls, mitigating actions and activities.
- **Residual risk assessment (score)** – this is the assessment of the risk by the risk owner after the application of the controls.
- **Controls** – these are the activities and items that will mitigate the effect of the risk event on the organisation.
- **Control Assessment** – assessment of the controls identified will determine the control assessment. There are three categories of assessment:
 1. Not effective – less than 50% effective
 2. Partially effective – between 50% and 99% effective
 3. Fully effective – 100% effective

Controls with assessments of Not Effective or Partially Effective will have corresponding actions contained within Assurance Actions.

- **Risk score** – each risk is assessed using a 4x6 risk matrix as detailed below. The 4 scale represents the impact of the risk and the 6 scale represents the likelihood of the risk event occurring.

Impact	Score						
Very Serious	4	4	8	12	16	20	24
Serious	3	3	6	9	12	15	18
Material	2	2	4	6	8	10	12
Negligible	1	1	2	3	4	5	6
Score		1	2	3	4	5	6
Likelihood		Impossible	Almost Very Low	Low	Significant	High	Very High

3.6 Development and improvement of the CRR and associated processes has continued since the CRR was last reported to the Committee:

- CRR was reviewed in conjunction with the refreshed LOIP document to ensure linkages between organisational outcomes and corporate risks.

- CRR is used to formulate the Internal Audit Plan which is approved by this Committee.
- CRR is available for review on the Zone.
- The Corporate Risk Lead provides challenge and support to Risk Owners and Managers on a monthly basis.
- Assurance Map has been created and attached to the report at Appendix B.

3.7 Committee also has before it the recently completed audit of risk management, as part of which the CRR was reviewed. The audit has recommended that the template adopted at corporate level should be implemented for all Clusters, and this is underway in consultation with Chief Officers.

Assurance Map

3.8 The Assurance Map provides a visual representation of the sources of assurance associated with each of the risks contained within the CRR. This evidences the breadth and depth of assurance sources, so that the Committee and Corporate Management Team can determine where these are insufficient, whereas the Corporate Risk Register demonstrates how effectively risk is being managed through the controls which flow out of those sources of assurance.

3.7 The Assurance Map provides a breakdown of the “three lines of defence”, the different levels at which risk is managed. Within a large and complex organisation like the Council, risk management takes place in many ways. The Assurance Map is a way of capturing these and categorising them, thus ensuring that any gaps in sources of assurance are identified and addressed:

First Line of Defence “Do-ers”	Second Line of Defence “Helpers”	Third Line of Defence “Checkers”
The control environment; business operations performing day to day risk management activity; owning and managing risk as part of business as usual; these are the business owners, referred to as the “do-ers” of risk management.	Oversight of risk management and ensuring compliance with standards, in our case including ARSC as well as CMT and management teams; setting the policies and procedures against which risk is managed by the do-ers, referred to as the “helpers” of risk management.	Internal and external audit, inspection and regulation, thereby offering independent assurance of the first and second lines of defence, the “do-ers” and “helpers”, referred to as the “checkers” of risk management.

3.8 Clusters are developing assurance maps to support their risk registers and these will be reported to the operational committees later in the year.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report. The report deals with the highest level of risk and this process serves to identify controls and assurances that finances are being properly managed.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report. The Corporate Risk Register serves to manage many risks with implications for the legal position and statutory responsibilities of the Council.

6. MANAGEMENT OF RISK

- 6.1 The report provides information on the Council's system of risk management and the improvements designed to make the system robust and fit for the changing social, political and economic environment in which we exist. The system ensures that all risks attaching to the Council's business and strategic priorities are identified, appropriately managed and are compliant with the Council's duties under the Equalities Act. Whilst the Corporate Risk Register records the most significant risks to the Council, the Committee is provided with assurance that from this there are effective controls identified. There are no risks arising from the recommendations in the report.

7. OUTCOMES

- 7.1 Each risk on the Corporate Risk Register is aligned to one or more of the themes within Local Outcome Improvement Plan. This will also be completed for the Cluster Risk Registers before they are reported to committees.

Design Principles of Target Operating Model	
	Impact of Report
Organisational Design	The completion of Cluster Risk Registers aligned to the interim transitional structure supports the principles of organisational design.
Governance	Reporting to Committee on the Corporate Risk Register and Cluster Risk Registers allows members to scrutinise the system of risk management to help ensure its effectiveness.
Process Design	In reviewing our risk management processes, there is an opportunity to make sure that the risk to the Council is mitigated.
Technology	It is anticipated that risk registers will be updated using digital methods and will become integrated within a wider assurance framework.
Partnerships and Alliances	Risks to the delivery of organisational objectives can at times be related to arms-length external organisations. These will be reflected in the appropriate risk register(s). Furthermore, risk is overseen by the Assurance Hub which reports to the Audit, Risk and Scrutiny Committee on a regular basis.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Full EHRIA not required
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix A – Corporate Risk Register
Appendix B – Corporate Assurance Map

11. REPORT AUTHOR CONTACT DETAILS

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Governance
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Tel: 01224 522858







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Aberdeen City Council Corporate Risk Register



Code	Title	Current Risk Score	Residual Risk Score	Function	Risk Owner	Risk Manager	LOIP Themes
Corp-001	Financial Sustainability	16	12	Resources	Steve Whyte	Jonathan Belford	All
Corp-002	Health and Safety Compliance	16	8	Governance	Fraser Bell	Vikki Cuthbert	All
Corp-003	Workforce of the future	8	4	Resources	Steve Whyte	Isla Newcombe	All
Corp-004	Civil Contingencies	12	8	Governance	Fraser Bell	Vikki Cuthbert	Prosperous Place
Corp-005	Information Governance	12	8	Commissioning	Martin Murchie	Caroline Anderson	Enabling Technology
Corp-006	Cyber Security	12	8	Customer	Andrew Howe	Norman Hogg	Enabling Technology
Corp-007	Contract Management	12	9	Commissioning	Craig Innes	Graeme Craig	Prosperous Economy
Corp-008	Climate Change	20	16	Strategic Place Planning	Gale Beattie	David Dunne	All
Corp-009	EU-Exit	16	12	Governance	Fraser Bell	Vikki Cuthbert	All

Corporate Risk Register – De-escalated Risks

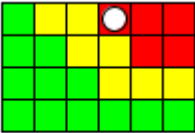
Date	Code	Title	Current Risk Score	Residual Risk Score	Function	Risk Owner	Risk Manager	Comment
19/07/18	Corp-003	Statutory Assurance	8 	4 	Governance	Fraser Bell	Jackie Buchanan	De-escalated to Governance CRR
16/08/18	Corp-006	Fraud, Bribery and Corruption	12 	8 	Governance	Fraser Bell	Brian Muldoon	De-escalated to Governance CRR
16/08/19	Corp-008	Scottish Child Abuse Inquiry	16 	4 	Operations	Bernadette Oxley	Gaynor Clarke	De-escalated from stand-alone risk. Captured within “recognition of future liabilities” within Financial Sustainability

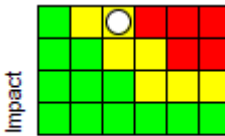
Risk Scoring Process

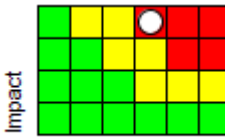
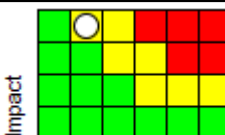
In order to apply an assessment rating (score) to a risk, the Council implements a 4x6 risk matrix.

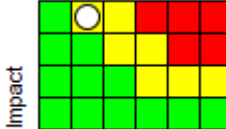
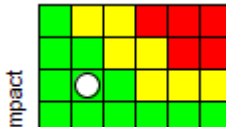
The 4 scale represents the impact of a risk and the 6 scale represents likelihood of a risk event occurring.

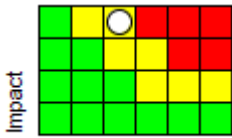
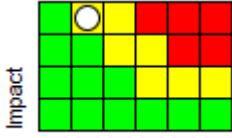
Impact	Score						
Very Serious	4	4	8	12	16	20	24
Serious	3	3	6	9	12	15	18
Material	2	2	4	6	8	10	12
Negligible	1	1	2	3	4	5	6
Score		1	2	3	4	5	6
Likelihood		Impossible	Almost Very Low	Low	Significant	High	Very High

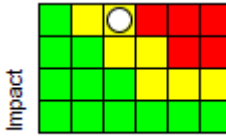
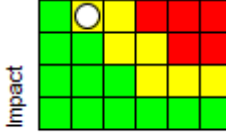
Code	Corp-001	Financial Sustainability		
Definition	The Council must deliver significant savings over the next five years and beyond to ensure continued financial sustainability. A transformation portfolio has been established with programmes of work to align finite financial resources to desired outcomes.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> • Failure to set a balanced budget • Continued cost pressures from current ways of working and legacy systems • Required savings not achieved • Fire-fighting required in year to address emerging budget issues • Spend not aligned to achievement of desired outcomes • Customer and service user dissatisfaction Reputational damage, including adverse impact on the Council's credit rating	<ul style="list-style-type: none"> • Failure to respond to legislative and economic change e.g. council tax reform, 3 year budgets, oil price fluctuation, national balance of local/devolved taxation, welfare reform, Brexit • Legislative and economic change affects National and City economy that impacts council • Failure of programme governance • Failure to update financial data timeously • Financial resource constraints • Staff not engaged in delivering the transformation programme • Staff not accountable for budget overspends 	Regular update of Medium Term Financial Plan to quantify budget gap, link to Brexit risk register on specific economic/financial risks.	Fully Effective	 <p>Impact</p> <p>Likelihood</p>
		Recognition and action planning to respond to legislative and economic change	Fully Effective	
		Tracking of economic and demographic fluctuations impacting the city	Fully Effective	
		Partnering arrangements across the city and region with ALEOs, business connections and 3rd sector focussed on financial sustainability	Fully Effective	
		Focus of future plans and budgets on step change service redesign, new charges, the resource allocation model and early intervention – linked to transformation and diversification	Partially Effective	
		Programme planning and governance	Fully Effective	
		Financial monitoring and control including stewardship	Partially Effective	
		Financial governance through financial regulations	Fully Effective	
		Capability framework for financial resources	Partially Effective	
		Control boards in place	Fully Effective	
		Control policies in place - financial regulations, travel policy, income policy	Fully Effective	
		Contingent liabilities tracking	Fully Effective	
				Significant
Risk Owner	Steve Whyte	Risk Manager	Jonathan Belford	Residual Risk Assessment

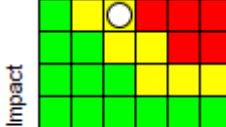
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019,	29 Aug 2019	 <p>Likelihood</p> <p>Very serious</p> <p>Low</p>
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Code	Corp-002	Health and Safety Compliance		
Definition	The council must comply with Health and Safety legislation to prevent harm to employees and/or members of the public			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> • Fatality or serious injury to employee or member of the public; • Material breach of health and safety legislation leading to criminal prosecution; • Compensation claims (civil); • Enforcement action – cost recovery of regulator time; • Reduced service delivery; • Reputational damage; • Increased costs due to absence levels and agency costs; 	<ul style="list-style-type: none"> • Health and safety roles and responsibilities not clearly defined and understood • Poor employee and Trade Union engagement • Policies and Procedures are not adequate and/or not adhered to 	Corporate Health and Safety Policy	Fully Effective	 <p>Likelihood</p> <p>Very serious</p> <p>Significant</p>
		Supplementary Health and safety Policies and Procedures	Partially Effective	
		Health and Safety Governance Structure	Partially Effective	
		Training and Development Programme	Partially Effective	
		Health and Safety Reporting Arrangements	Partially Effective	
		Trade Union Engagement	Fully Effective	
Risk Owner	Fraser Bell	Risk Manager	Vikki Cuthbert	Residual Risk Assessment
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.	29 Aug 2019	 <p>Likelihood</p> <p>Very serious</p> <p>Very Low</p>	

Code	Corp-003	Workforce of the future		
Definition	The Council must ensure that it has a workforce with the capability and capacity to deliver our Strategic Outcomes.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> • Inability to deliver against our corporate outcomes including statutory obligations • Inability to adapt to the delivery methods required in the future • Customer and service user dissatisfaction • Reputational damage • Increased use of peripheral staffing • High numbers of staff on redeployment • Breakdown in employee relations leading to dispute 	<ul style="list-style-type: none"> • Internal workforce is cannot to meet the needs of the organisation in the future • Workforce behaviours do not support flexibility, change and improvement • High change weariness and low levels of staff engagement • Reliance on traditional notions of leadership - on command and control • Significant skills shortages and lack of adequate and appropriate training and development • Performance reviews do not address development needs adequately • Insufficient ability to internally recruit staff or lack of focus on retraining current staff into areas of need 	Establishment Control Board maintaining oversight of recruitment and the Council's establishment list	Fully Effective	 <p>Likelihood</p>
		Skills audits / training needs built into PR&D	Partially Effective	
		Strategic workforce plan	Fully Effective	
		Performance Reviews and Development (PR&Ds)	Partially Effective	
		Horizon scanning - impacts of changes to service delivery on workforce requirements	Fully Effective	
		Positive leadership and management	Partially Effective	
		Recruitment and movement of internal resource	Partially Effective	
		Workforce development plan	Fully Effective	
		Regular monitoring of peripheral staffing	Partially Effective	
		Absence reporting	Fully Effective	
		Regular engagement with Trade Unions	Fully Effective	
		Regular communication with staff	Partially Effective	
		People Policies	Fully Effective	
		Staff Governance Committee	Fully Effective	
				Very serious
				Very Low
Risk Owner	Steve Whyte	Risk Manager	Isla Newcombe	Residual Risk Assessment
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	 <p>Likelihood</p>
				Material
				Very Low


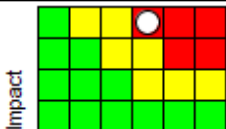
Code	Corp-004	Civil Contingencies					
Definition	The Council must ensure that it puts in place adequate training, planning and testing for civil contingency events and other incidents.						
Potential Impact	<p>The Council is unable to support or lead the response to an emergency affecting the city and/or is unable to deliver critical functions in relation to:</p> <ol style="list-style-type: none"> 1. Human welfare or the environment 2. The finances of the Council 3. The Council's statutory obligations 4. The Council's reputation 5. The Council's ability to respond to emergencies. <p>(These impacts relate to both the Civil Contingencies Act 2004 and Council's Business Continuity Planning)</p>	<p>Causes</p> <ul style="list-style-type: none"> • Failure to review and update our civil contingencies capacity, capability, structures, policies and plans in order to respond to incidents and events. • Gaps in skill, knowledge and preparedness of workforce • Governance or system failure • Failure to build civil contingencies planning and testing into major capital projects and events planning 	Control Effectiveness		<p>Current Risk Assessment</p>  <p>Likelihood</p>		
			Control	Control Assessment			
			Established Duty Emergency Response Coordinator (DERC) rota to ensure a Chief Officer is always available to contribute to the Council's response to emergencies.	Fully Effective			
			Governance structure in place to manage risks and test resilience – Organisational Resilience Group, Business Continuity Sub-Group, Local Resilience Partnership and TECA Sub-Group	Partially Effective			
			Prevent and Prepare CONTEST priorities are embedded and reviewed continuously by priority owners	Partially Effective			
			“Move to Critical Action Plan” in place	Partially Effective			
			Resilience training and development for key officers	Partially Effective			
			System in place for monitoring the preparedness of our ALEO's to support the council in responding to emergencies through ALEO Assurance Hub	Fully Effective			
			Management of single authority emergency planning arrangements	Fully Effective			
			Civil Contingencies input to Capital Projects and planning of events	Partially Effective			
				Very serious			
				Low			
Risk Owner	Fraser Bell	Risk Manager	Vikki Cuthbert	Residual Risk Assessment			
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	 <p>Likelihood</p>			
				Very serious			
				Very Low			


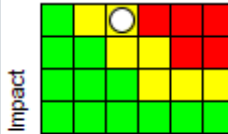
Code	Corp-005	Information Governance			
Definition	Information governance protocols and processes do not provide the appropriate framework to facilitate optimum information management in support of decision making and resource allocation based on a Business Intelligence culture.				
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment	
		Control	Control Assessment		
<ul style="list-style-type: none"> • Unlawful disclosure of sensitive information • Individuals placed at risk of harm • Prosecution –penalties imposed • Council exposed to legal action • Reputational damage • Council finances jeopardised • Business Intelligence effectiveness is compromised by underlying data quality issues • Inadequate performance information • Business efficiencies not achieved • Inability to share services and information with partners • Reduced capability to deliver customer facing services Service disruption 	<ul style="list-style-type: none"> • Under-skilled staff / lack of capability (can't) • Non-compliance with information governance policy & procedure by individuals (won't) • Privacy and data protection by default is not appropriately considered in the design of new processes and systems • Lack of visibility and oversight of emerging information risks • Inconsistent approach to information and data governance across the Council (absence of effective embedded information governance roles, systems and processes) 	Clear systems and processes in place for ensuring appropriate management, governance and use of information designed and implemented within BAU and change management processes	Fully Effective	 <p>Likelihood</p>	
		Information Governance Board led by SIRO provides robust corporate oversight of information assurance arrangements.	Fully Effective		
		Clear roles and responsibilities assigned and embedded for all staff for managing & governing information assets across the Council	Fully Effective		
		Mandatory information governance training for all staff with regular exception reporting	Fully Effective		
		Data Protection Officer directly influences information governance	Fully Effective		
		Effective monitoring and reporting of corporate and information asset level information governance arrangements is in place.	Fully Effective		
		Data Forums	Partially Effective		
		Effective Governance in place around Bring Your Own Device Arrangements	Fully Effective		
					Very serious
					Low
Risk Owner	Martin Murchie	Risk Manager	Caroline Anderson	Residual Risk Assessment	
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	 <p>Likelihood</p>	
				Very serious	
				Very Low	

Code	Corp-006	Cyber Security		
Definition	Cyber Security threats must be mitigated to protect the Council, its essential functions and customer data.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> • Service disruption • Council finances jeopardised • Inability to share services • Reduced capability to deliver customer facing services • Unlawful disclosure of sensitive information • Individuals placed at risk of harm • Prosecution –penalties imposed • Reputational damage 	<ul style="list-style-type: none"> • Lack of oversight of Cyber Security threats. • Inconsistent approach to security across the Council. • Insider threats not identified. • Lack of capability and / or non-compliance by individuals • Human Error • Absence of adequate preventative measures to mitigate against known outsider cyber threats. • Continuous new and emerging cyber threats (so-called day zero attacks) • Absence of corporate protocols when acquiring or changing system solutions so that Cyber Resilience is not built in. • Absence of adequate preventative measures to mitigate insider threat including physical and system security. • Insider threat not properly managed through recruitment and line management processes. • Lack of appropriate ‘tools’ or inadequate use of tools to detect and prevent Cyber Threats. • Lack of resource to investigate events or deal with incidents. 	Recommended gateway and End Point tools in place.	Fully Effective	 <p>Impact</p> <p>Likelihood</p>
		Adequate use of anomaly reporting and behaviour analysis.	Partially Effective	
		Implementation of Protective Monitoring	Fully Effective	
		Information Governance Board led by SIRO provides robust corporate oversight of information assurance arrangements.	Fully Effective	
		Effective information management and security training and awareness programme for all staff.	Fully Effective	
		Critical systems risk assessed and protected appropriately	Partially Effective	
		Password security controls in place	Fully Effective	
		Restricted access for key personnel to secure facilities	Fully Effective	
		Fit for Purpose Identity Management System (IDM)	Partially Effective	
		Robust Cyber Security incident management procedures.	Partially Effective	
		Consolidation of IT and data related activities corporately within IT and Transformation Service.	Partially Effective	
		Appropriately secured links to all third parties with whom we connect.	Fully Effective	
		Sufficient staff or resource to investigate events of significance.	Fully Effective	
		Continual assessment of new and emerging threats.	Fully Effective	
Annual IT Health Check performed	Fully Effective			
Cyber Security Essential Plus Certified	Fully Effective			
				Very serious

	<ul style="list-style-type: none"> • Budgetary constraints. • Lack of appreciation around the threats of extension into the Cloud. • Lack of appreciation around the threats of extension of the Internet of Things. • Lack of appreciation around the threats introduced by BYOD. 			Low
Risk Owner	Andrew Howe	Risk Manager	Norman Hogg	Residual Risk Assessment
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	<p>Impact</p> <p>Likelihood</p> <p>Very serious</p> <p>Very Low</p>

Code	Corp-007	Contract Management		
Definition	There is a need to have effective contract management across the Council, undertaken by skilled staff working and working to a consistent and proportionate model.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> Services are not delivered in line with Council requirements and specifications. Savings targets not met/efficiencies not realised. Reputational damage. Disputes/Litigation. Inability to manage market/respond to urgent issues. Negative audit outcomes. Poor supplier relationship management. Poor performance by the provider. Difficulties in dealing with changes and issues arising throughout the contract. 	<ul style="list-style-type: none"> Poor contract management skill levels. Officers not robustly or properly contract managing. Poor co-design of the specification initially. Lack of market management resulting in limited range of providers. Lack of clarity on who is responsible for contract management. Lack of awareness in the organisation of the importance of robust contract management. Dissipated contract management capacity across the Council. Absence of a properly maintained contracts register. Contract expectations not being monitored and managed. 	Social Care Contracts and Commissioning Team has a contract management framework, including detailed contract monitoring procedures.	Fully Effective	<p>Impact</p> <p>Likelihood</p>
		ACC Procurement Regulations - Regulation 13.1-13.3 set requirements in relation to contract management.	Fully Effective	
		Implementation of effective contract management procedures across the organisation clearly stating the need for proper contract administration, relationship management and review of contract performance.	Partially Effective	
		Ensuring that contract managers have effective contract management skills and they have full training where pertinent on the Councils internal procurement regulations.	Partially Effective	
		Clarity on who is the contract manager for a particular contract.	Fully Effective	
		Ensuring that consideration is given to how performance will be monitored e.g. outcomes and KPIs, as part of the co-development of specifications.	Partially Effective	
		Contract Registers	Fully Effective	
Risk Owner	Craig Innes	Risk Manager	Graeme Craig	Residual Risk Assessment
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	<p>Impact</p> <p>Likelihood</p> <p>Serious</p> <p>Low</p>

Code	Corp-008	Climate Change			
Definition	ACC must comply with a duty under the Climate Change (Scotland) Act 2009, to reduce emissions to contribute to national targets, adapt to climate change in contribution to the national adaptation programme and report annually on this work. Climate change will increase the severity and frequency of severe weather events, in Aberdeen (heavy winter rainfall, flooding, a rise in sea level, reduction summer rainfall, higher temperatures).				
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment	
		Control	Control Assessment		
<ul style="list-style-type: none"> • Fatality or serious injury to employee or member of the public due to severe weather events. • Increased demand for ACC services and response. • Service disruption. • Cost pressures from energy costs, flood recovery, (civil) claims for damage roads and pavements, increased insurance premiums (ACC assets) and procurement costs. • Damage to ACC owned and managed assets and infrastructure. • Adverse financial impact if climate risks to major projects are not managed. • Opportunities for clean energy and climate resilience are not reached. • Damage to ACC managed grounds, parks and countryside sites. • Climate change affects the delivery of strategic plans and capital projects. • Failure to meet statutory obligations for climate adaptation, flood resilience, pollution, emission reduction and reporting. • Increase in corporate and city-wide emissions. • City growth is restricted. • Reputational damage. 	<ul style="list-style-type: none"> • Current and future climate risk is not sufficiently considered in ACC decision making. • Inadequate governance and internal/ external partnership work on climate change. • Failure to consider the long term implications of climate change on city plans and policy. • Lack of skills, understanding and resources to address current/ future climate risks. • Ineffective response to severe weather events/ public health incident. • Inadequate/ inconsistent implementation of emission reduction and adaptation plans. • Insufficient monitoring of climate risks, emission reduction and adaptation activity. • Lack of political support/ commitment. • Insufficient resources to support mitigation and adaptation actions. • Ineffective monitoring for change. • Failure to consider opportunities for growth in low carbon and adaptation sectors. 	Aberdeen Adapts Framework incorporates development, approval and implementation of measures and activities required to mitigate causes of risk	Partially Effective	 <p>Likelihood</p>	
		Implement Powering Aberdeen (Sustainable Energy Action Plan), including corporate emission reduction measures. .	Partially Effective		
		System of Monitoring corporate mitigation and adaption data and annual reporting	Fully Effective		
		Water Impact Assessments	Fully Effective		
		Improvement to climate change data collection systems	Partially Effective		
		Integrate climate mitigation and adaptation into relevant corporate, plans, programmes and strategies.	Partially Effective		
		Increase awareness and understanding of climate change (staff and public)	Partially Effective		
					Very serious
					High
		Risk Owner	Gale Beattie		Risk Manager
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	 <p>Likelihood</p> <p>Very serious</p>	

Code	Corp-009	EU-Exit			
Definition	The Council must ensure that it has effective plans in place to mitigate potential impacts of UK exit from EU where possible.				
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment	
		Control	Control Assessment		
<ul style="list-style-type: none"> Workforce disruption and reduction Disruption within supply chain affecting service delivery Increased service demand including customer contact and additional applications for support Interest and exchange rate fluctuations, reduction and loss of EU funding Budgetary pressures, reduced income and cost increases 	<ul style="list-style-type: none"> Failure to plan effectively Failure to communicate, consult with partner organisations Failure to coordinate council planning arrangements with local and national networks and partner organisations Failure to understand economic position Failure to understand and plan for potential impacts on the Council's budgetary position Failure to understand the national political position Failure to test plans and preparations 	EU-Exit Group	Fully Effective	 Likelihood	
		Horizon scanning – impacts to service delivery and workforce	Fully Effective		
		Review critical supplier plans	Fully Effective		
		Communication and information plan for citizens	Partially Effective		
		Monitoring and tracking economic data	Fully Effective		
		Budget Planning for anticipated risks	Fully Effective		
		Information sharing and co-ordination with regional and national partner organisations	Partially Effective		
		Resilience planning with partner organisations, local and national Resilience networks	Partially Effective		
			Very serious		
			Significant		
Risk Owner	Fraser Bell	Risk Manager	Vikki Cuthbert	Residual Risk Assessment	
Latest Note	This risk was reviewed by the Corporate Management Team on 29 th August 2019.		29 Aug 2019	 Likelihood	
				Very serious	
				Low	

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp002	<p>Health & Safety Compliance</p> <p>The Council must comply with Health and Safety legislation to prevent harm to employees and/or members of the public.</p>	<ul style="list-style-type: none"> • Risk assessments • Staff training and development on health and safety • Operational Safe Systems of Work • RIDDOR reporting (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) • Compliance checks • Physical verification checks • Function Health and Safety Groups • Health and Safety Improvement Plans • Investigations into incidents and breaches • Operational procedures and guidance notes to implement Corporate Health and Safety Policy and ancillary corporate policies 	<ul style="list-style-type: none"> • Corporate Management Team (CMT) Stewardship undertakes monthly review of health and safety risk compliance risk • Corporate Health and Safety Policy • Senior Management Team review of health and safety performance data • CMT Stewardship oversight of health and safety contraventions • Performance reports to Staff Governance Committee • Trade Union/Director fortnightly meetings at which health and safety matters can be raised • Audit, Risk and Scrutiny Committee oversight of risk management system 	<ul style="list-style-type: none"> • Health and Safety Executive (HSE) visits and reports - RIDDOR require ACC to report identified injuries to be reported to HSE. These reports can lead to HSE interventions where they meet their requirements. • Scottish Fire and Rescue audits – conduct annual fire safety audits of care establishments; also 6 monthly walk around audits of multi-storey housing blocks • Care Inspectorate audits – programme of inspection visits to care homes in Scotland • Internal Audit Plan approved and overseen by Audit, Risk and Scrutiny Committee, covers health and safety arrangements • Her Majesty’s Inspectorate of Education reports – use a sampling strategy for inspections across all early learning establishments and schools.
	<p>Residual Risk Score</p> <p style="text-align: center;">8</p>			

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)		
Corp003	<p>Workforce for the Future</p> <p>The Council must ensure that it has a workforce with the capability and capacity to deliver our Strategic Outcomes.</p> <table border="1" data-bbox="255 659 573 1323"> <tr> <td data-bbox="255 659 421 1323">Residual Risk Score</td> <td data-bbox="421 659 573 1323" style="background-color: #90EE90; text-align: center;">4</td> </tr> </table>	Residual Risk Score	4	<ul style="list-style-type: none"> • Risk assessments • Monitoring of casework data • Skills audits used to build training requirements and programmes of development • Managers' completing Performance Review and Development • Regular monitoring of peripheral staff • Absence reporting • Staff related procedures flowing from policies • Workforce Development Plan including training and development • Capability Framework implementing Guiding Principles • Leadership Forum 	<ul style="list-style-type: none"> • Performance reports to Staff Governance Committee • Corporate Management Team (CMT) Stewardship undertakes monthly review of workforce for the future risk • Senior Management Team (SMT) undertakes review of Cluster Operational Risk Register • Staff related policies and procedures • Strategic Workforce Plan • Data Protection processes • Consultation and legislative tracker to horizon scan for changes in the law • Audit, Risk and Scrutiny Committee oversight of risk management system 	<ul style="list-style-type: none"> • COSLA – national negotiating body via SJC and SNCT. • Scottish Government – checking compliance with national initiatives e.g. Early Years Expansion, Pupil Equity Fund • Chartered Institute of Personnel Development (CIPD) / ACAS-- professional bodies available for benchmarking / best practice advice and guidance • Society of Personnel and Development Scotland (SPDS) – professional body available for benchmarking / best practice advice and guidance and links into COSLA • Internal Audit Plan approved and overseen by Audit, Risk and Scrutiny Committee covering workforce related matters such as VSER • Her Majesty's Inspectorate of Education (HMiE) reports – use a sampling strategy for inspections across school leadership and learning and teaching • GTC/SSSC- set out registration requirements for specific parts of the workforce • Employer Accreditations including Quality of Working lives, ILYP, Disability Confident, Armed Forces Covenant
Residual Risk Score	4					

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp004	<p>Civil Contingencies</p> <p>The Council must ensure that it puts in place adequate training, planning and testing for civil contingency events and other incidents.</p>	<ul style="list-style-type: none"> • Emergency Plans Operational response procedures • Risk assessment within services • Business Continuity Plans • Training for emergency response including exercising, testing and validation • Performance reporting following incidents and emergency through de-briefs • Duty Emergency Response Co-ordinator procedures 	<ul style="list-style-type: none"> • Business Continuity Policy • Organisational Resilience GroupBusiness Continuity Sub-Group • Corporate Management Team undertakes monthly review of Civil Contingencies risk • Senior Management Teams horizon scanning for new and emerging risks • CONTEST Framework Strategy for Scotland • Resilience Direct information sharing portal • Public Protection Committee oversight of resilience arrangements. • Risk assessment across resilience partners • Audit, Risk and Scrutiny Committee oversight of risk management system 	<ul style="list-style-type: none"> • North Regional Resilience Partnership • Grampian Local Resilience Partnership • Internal Audit Plan approved and overseen by Audit, Risk and Scrutiny Committee, covers civil contingency arrangements • Scottish Government / Cabinet Office guidance • Testing of emergency plans at partner level.
	Residual Risk Score			

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp005	<p>Information Governance</p> <p>Information governance protocols and processes do not provide the appropriate framework to facilitate optimum information management in support of decision making and resource allocation based on a Business Intelligence culture.</p>	<ul style="list-style-type: none"> • Mandatory Information Governance Staff Training • Procedures to implement Corporate Information Policy • Operational procedures and guidance notes including Corporate Information and Information Asset Owner Handbooks • Investigations into Data Breach 	<ul style="list-style-type: none"> • Corporate Management Team (CMT) Stewardship undertakes monthly review of Information Governance Risk Register and Quarterly Information Governance Assurance reports • Policy documentation including Corporate Information Policy • Information Governance Group led by Senior Information Risk Owner (SIRO) • Audit Risk and Scrutiny oversight of Information Governance including annual Information Governance Assurance Statement • Data Forums 	<ul style="list-style-type: none"> • Annual Internal Audit Plan approved and overseen by Audit Risk and Scrutiny Committee • Reports from Information Commissioners Office and National Records of Scotland
	Residual Risk Score			

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp006	<p>Cyber Security</p> <p>Cyber Security threats must be mitigated to protect the Council, its essential functions and customer data.</p>	<ul style="list-style-type: none"> • Mandatory Information Governance Staff Training and IT Security Staff Training • Operational procedures and guidance notes including Cyber Security Incident Management Procedure • Procedures to implement ICT policies • ICT System Risk Assessments • Data Privacy Impact Assessments • Investigation into incidents and breaches • IT audits 	<ul style="list-style-type: none"> • Corporate Management Team (CMT) Stewardship undertakes monthly review of Cyber Security Risk. • Senior Management Team (SMT) undertakes review of Cluster Operational Risk Register • Audit, Risk and Scrutiny Committee oversight of risk management system • Information Governance Group led by Senior Information Risk Owner (SIRO) • Policy documentation including, Information and Communication Technology (ICT) Acceptable Use Policy and ICT Access Control Policy 	<ul style="list-style-type: none"> • Annual Internal Audit Plan approved and overseen by Audit Risk and Scrutiny Committee • Cyber Essentials testing and accreditation • Reports from Scottish Governance Cyber Resilience • External Penetration testing • Cyber Group under North Regional Resilience Partnership.
	Residual Risk Score			

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp007	<p>Contract Management</p> <p>There is a need to have effective contract management across the Council, undertaken by skilled staff working and working to a consistent and proportionate model.</p>	<ul style="list-style-type: none"> • Staff training and development • Operational procedures and guidance including Contract Management Guidance and Procurement Regulations • Procedures to implement contract management policies 	<ul style="list-style-type: none"> • Corporate Management Team (CMT) Stewardship undertakes monthly review of Contract Management Risk • Senior Management Team (SMT) undertakes review of Cluster Operational Risk Register • Contract review by Demand Management Board • Oversight by Arms-Length External Organisation (ALEO) Assurance Hub • Audit, Risk and Scrutiny Committee oversight of risk management system • Strategic Commissioning Committee • Policy documentation including Sustainable Procurement and Community Benefits Policy 	<ul style="list-style-type: none"> • Annual Internal Audit Plan approved and overseen by Audit Risk and Scrutiny Committee • Annual External Audit and report • External reports from Scotland Excel including Procurement Capability and Improvement Plans (PCIP) • Scottish Government performance review and reports
	Residual Risk Score			

Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp008	<p>Climate Change</p> <p>The council must comply with a duty under the Climate Change (Scotland) Act 2009, to reduce emissions to contribute to national targets, adapt to climate change in contribution to the national adaptation programme, act sustainably and report annually on this work.</p> <p>Climate change will increase the severity and frequency of severe weather events, in Aberdeen (heavy winter rainfall, flooding, a rise in sea level, erosion, reduction summer rainfall, higher temperatures).</p>	<ul style="list-style-type: none"> • Staff training and development • Operational plans and guidance including Climate Risk Guidance. Environmental risks (including climate risks) incorporated in business cases, committee reporting and guidance. • Climate Risk Assessments. • Weather Impact Assessment. • Monitoring and reducing emissions from ACC estate and services; including from buildings, transport and waste. 	<ul style="list-style-type: none"> • Corporate Management Team (CMT) Stewardship undertakes monthly review of Climate Change risk. • Senior Management Team (SMT) undertakes review of Cluster Operational Risk Register • Strategic plans including Sustainable Energy Action Plan (Powering Aberdeen); North East Flood Risk Management Plan and Strategy; and development of Climate Adaptation Framework (Aberdeen Adapts). • Audit, Risk and Scrutiny Committee oversight of risk management system. • City Growth and Resources Committee oversight of climate change reporting. • Inclusion in plans, programmes, strategies including those for planning, transport, housing. 	<ul style="list-style-type: none"> • Annual Climate Change Report (Public Bodies Climate Change Duties) submitted to Scottish Government. • Statutory Performance Indicators (SPP) Emissions Management • Regional and National reports from Scottish Government, UK Government and SEPA • Adaptation Capability Framework Benchmarking Tool

Appendix B – Assurance Map

	Residual Risk Score	16			
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Appendix B – Assurance Map

Risk Reference	Risk Description and Score	First Line of Defence (Do-ers)	Second Line of Defence (Helpers)	Third Line of Defence (Checkers)
Corp009	<p>EU Exit Preparedness</p> <p>The Council must ensure that it has effective plans in place to mitigate potential impacts of UK exit from EU where possible.</p>	<ul style="list-style-type: none"> • Risk assessments by services • EU Exit Steering Group, cross-service meetings held fortnightly to review risks and mitigations against national planning assumptions • Assessment and review of workforce dependencies • Review of critical supplier plans • Monitoring and tracking of economic data • Communication and information plan for citizens • Workforce flexible approach in areas of demand • Budget planning for anticipated impacts • Horizon scanning (on-going by all services) • Resilience Direct data portal 	<ul style="list-style-type: none"> • Review and monitoring of risk register by Corporate Management Team • Local Resilience Partnership undertaking resilience planning and preparedness across all partners • ALEO (Arms-Length External Organisations) Assurance Hub • Audit, Risk and Scrutiny Committee oversight of risk management system 	<ul style="list-style-type: none"> • National Planning Assumptions • North Regional Resilience Partnership • Grampian Local Resilience Partnership
	Residual Risk Score			

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	25 th September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Music Service Action Plan
REPORT NUMBER	OPE/19/387
DIRECTOR	Rob Polkinghorne
CHIEF OFFICER	Graeme Simpson
REPORT AUTHOR	Eleanor Sheppard
TERMS OF REFERENCE	1

1. PURPOSE OF REPORT

On 26th June 2019 the Audit, Risk and Scrutiny Committee sought further assurance that clear plans were in place to address the Internal Audit recommendations for the Music Service. This report aims to provide assurance through the provision of an Action Plan which details clear timescales for completion and provides an update on progress.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the content of this report
- 2.2 Instruct the Chief Officer Integrated Children and Family Services to continue to monitor the progress and advise this Committee by way of Service Update when all recommendations have been met.

3. BACKGROUND

- 3.1. The Aberdeen Music Service (AMS) within Integrated Children’s and Family Services (ICFS) provides non-statutory tuition in musical instruments within schools. It also hosts music ensembles in the evenings and on Saturdays at the Music Centre based at Northfield Academy.
- 3.2 An Internal Audit was commissioned (see Appendix A) to provide assurance over Music Centre procedures for collecting income, entitlement to concessionary tuition, procurement, payroll, and the inventory of musical instruments and sheet music.
- 3.3 The Audit made a number of recommendations which were accepted by the service. These included:
- A need to ensure comprehensive procedures covering all processes and a range of recommendations were made and accepted by the service;
 - The need to put in place an improvement plan to set out short, medium and long term improvements;
 - A need to ensure that any proposed concessions to fees are formally agreed by Council;
 - Improve the process for managing pupil registration, charging for lessons, and income to mitigate against errors; and
 - Improve record keeping

3.2.1 Improvement and Action Planning

The Service has put in place an Action Plan (see Appendix B) with clear timescales to ensure all of the recommendations are addressed timeously. The Service has monitored progress on a weekly basis to ensure that timescales are met.

4. FINANCIAL IMPLICATIONS

Implementation of the audit recommendations will realise greater efficiency across the service and provide assurance that sound financial governance is in place.

5. LEGAL IMPLICATIONS

Implementation of the audit recommendations will ensure adherence to financial regulations.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Financial	Risk of best value not being demonstrated	M	Timely implementation of audit recommendations

Legal			
Employee			
Customer	Risk of record keeping resulting in mistakes in billing		Timely implementation of the audit recommendations
Environment			
Technology	Risk of paper records resulting in human error and lack of accurate records		Digitise wherever possible.
Reputational	Risk that customers have little faith in ACC due to errors made in billing		Timely implementation of the audit recommendations

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	
Prosperous People	There are clear links between the provision of music services and attainment and therefore a link with the prosperity of the people of Aberdeen.
Prosperous Place	

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	The audit recommendations improve the customer service design
Organisational Design	
Governance	Implementation of the audit recommendations improve financial governance.
Workforce	

Process Design	Implementation of the audit recommendations will improve the process design.
Technology	Better use of technology advocated in the recommendations will limit human error
Partnerships and Alliances	

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

None

10. APPENDICES (if applicable)

Appendix A – Action Plan.

11. REPORT AUTHOR CONTACT DETAILS

Name Eleanor Sheppard
Title Chief Education Officer
Email Address esheppard@aberdeencity.gov.uk
Tel 01224 522707

Improvement/outcome required	How Are We Going to do it?	Who	By When	Current Status
2.1.3 - Processes supporting the provision of Music Tuition should be formalised in written procedures.	Procedures to be written and implemented for recommendations in 2.1.3 to include: <ul style="list-style-type: none"> • operation of the waiting list; • archiving and destruction of personal information; • frequency of checks on entitlement to concessions; • application of concessions part way through a term; • filing system for new start forms; • unpaid debt follow up process (managed by the Service); • when a debtors invoice should be raised to recover unpaid debts; • recording of deferred payments; • budget monitoring; • inventory checks; • completion of the spreadsheet of current pupils receiving tuition (Pupil Spreadsheet); and • a legend for the Pupil spreadsheet for completing details and for colour coding. 	Acting music Co-ordinator	October 2019	With the exception of the inventory check all complete by June 2019. Inventory check on track to be completed by October 2019.
2.1.3 - Operation of the waiting list	Request to receive lessons to include: <ul style="list-style-type: none"> • Applicants seeking instrumental tuition in an Aberdeen City School registers interest via the ACC website - https://www.aberdeencity.gov.uk/services/education-and-childcare/school-life/music-tuition • To register interest for instrumental tuition, the applicant clicks on the 'Register For Music Tuition' link (which takes them to a Firmstep application process). They first read a GDPR statement and Private Policy before beginning the process to register interest. • Once their form is complete, a case is automatically created (in Firmstep back office) for the Music Coordinator to review the waiting list for availability. • If a space for instrumental tuition is NOT available: The Music Coordinator adds them to the waiting list where they remain until a space becomes available. • If a space for instrumental tuition IS available: The Music Coordinator starts the onboarding process. 	Acting music Co-ordinator	October 2019	Completed in full by June 2019

	<p>Onboarding actions put in place:</p> <ul style="list-style-type: none"> • An email and link to the onboarding form is sent to the applicant offering instrumental tuition. • The applicant completes the onboarding form; if they choose to hire a musical instrument at this time, they read the Terms and Conditions of instrumental loan and complete the declaration. • Once the onboarding form is complete, they are redirected to the Civica Payment Portal to make payment. • If their payment is NOT accepted, they are redirected back to the Civica Payment Portal. • If their payment IS accepted, a case is automatically created in the Firmstep back office and an email alert is sent to the Music Coordinator. • The Music Coordinator allocates the case to himself and reviews the submission. If it is not complete and correct an email is sent to the applicant asking them to log back in an update with the additional information required. • Once it is complete and correct an email is sent to the relevant instructor informing them that tuition can begin. • The instrumental instructor prepares a lesson timetable and instrument loan, if applicable. • To communicate details of the first lesson, the instructor sends details to the Music Coordinator, who enters it into Firmstep to populate an email then sent to the applicant. • The pupil now has their first lesson. If their instrument is on loan from the Council, the instructor records and shares the instrument ID with the Coordinator. • The coordinator now closes the case. <p>Cessation of lessons:</p> <ul style="list-style-type: none"> • Information on how to cease lessons is provided on the website. Lessons can only be stopped at the end of a term. We ask that at least TWO WEEKS notice is given before the end of term. To stop receiving music lessons, the parent / carer of the student enrolled with the Music Service should complete the online cessation of lessons form which is available on Aberdeen City Council's website. If lessons are cancelled after payment for lessons has been made, the 			
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	<p>lessons will continue for the remainder of the term and terminate the following term.</p> <ul style="list-style-type: none"> To cease lessons, the applicant will click on 'Music tuition – Cessation Of Lessons'. This will open a GDPR statement and Private Policy to be read before proceeding to the cessation form (in Firmstep). Once complete, a case is opened in the Firmstep back office for the Music coordinator to review and assign to the relevant Instructor. The applicant's lessons continue for the remainder of that term then cease. The Instructor removes the pupil from his register. 			
2.1.3 - Archiving and destruction of personal information	<p>Online Data</p> <ul style="list-style-type: none"> Firmstep has been set to delete data (cases and personal information) in accordance with the policy statement on the website. <p>Paper/Hard copy Data</p> <ul style="list-style-type: none"> All necessary paperwork is sent by instructors through internal mail to the music office where it is shredded after being scanned and saved to the network drive. <p>Scanned Data</p> <ul style="list-style-type: none"> Scanned records will be archived for five years after a pupil ceases tuition (in accordance with the suggested retention period set out by the Scottish Council on Archive Record Retention of seven years). After five years those archives will be permanently deleted. A folder (Leavers) has been created in the O Drive and will be updated on a termly basis. Records will be kept for a maximum of five years and then the folder will be deleted (see attached Recommendation 2.3.2). 	Acting music Co-ordinator	October 2019	Completed by June 2019
2.1.3 - Frequency of checks on entitlement to concessions	<p>Currently checks on pupils entitled to concessions (for free school meals) are carried out by verifying through Seemis, at the start of each school term.</p> <p>With online payment, parents will be required to declare with each termly renewal payment for tuition, their entitlement to free school meals concession.</p>	Acting music Co-ordinator	October 2019	Completed by June 2019

2.1.3 - Application of concessions part way through a term	Concessions are now applied at the start of the following term through the new up-front payment system. Parents indicate entitlement on the renewal form although, following from above, the target future state is system integration that would make this automatic.	Acting music Co-ordinator	October 2019	Completed by June 2019
2.1.3 - Filing system for new start forms	This is now the Firmstep Customer Experience Platform; from this point forwards paper is obsolete for applications. (Assisted Digital pathways exist for those most in need.)	Acting music Co-ordinator	October 2019	Completed by June 2019
2.1.3 - Unpaid debt follow-up process (managed by the Service)	Since 2019 the Music Service emails all pupils, at the start of each term, a payment reminder for outstanding debt (there are no reliable records for outstanding debt before 2017). If a pupil with outstanding debt remaining ceases lessons, the music office phones to notify the parent of this.	Acting music Co-ordinator	October 2019	Completed by June 2019
2.1.3 - When a debtor's invoice should be raised to recover unpaid debts	All outstanding debt for lessons is reviewed at the start of each school term and before payment reminders are emailed to parents. At this time, and at the Music co-ordinator's discretion, a debtor's invoice may be raised.	Acting music Co-ordinator	October 2019	Completed by June 2019
2.1.3 - Recording of deferred payments	Deferred payments no longer occur--as at the current date the process is now 100% electronic up-front payment.	Acting music Co-ordinator	October 2019	Completed by June 2019
2.1.3 - Budget monitoring	The Music Service Co-ordinator meets with Accounting (currently Colleen Forbes, Assistant Accountant) once per quarter to review monitoring statements to identify variances (over/underspends), amendments to the forecasts and any areas for investigation. A minute is produced to record the meeting and sent to both the budget manager and service manager. Additionally, once each month Accounting reviews expenditure and YMI staffing costs.	Acting music Co-ordinator	October 2019	Completed by June 2019

<p>2.3.2 - An archiving process should be established which facilitates the destruction of records in accordance with the privacy notice.</p>	<p>An archiving process to be established across a number of systems (both digital and paper)</p> <p>Online Data Firmstep will be set to delete data (cases and personal information) in accordance with the policy statement on the website.</p> <p>Paper/Hard copy Data All necessary paperwork is sent by instructors through internal mail to the music office where it is shredded after being scanned and saved to the network drive.</p> <p>Scanned Data Scanned records will be archived for five years after a pupil ceases tuition (in accordance with the suggested retention period set out by the Scottish Council on Archive Record Retention of seven years). After five years those archives will be permanently deleted.</p> <p>A folder (Leavers) has been created in the O Drive and will be updated on a termly basis. Records will be kept for a maximum of five years and then the folder will be deleted.</p>	Acting music Co-ordinator	August 2019	Completed- July 2019.
<p>2.3.3 - The Service should make use of a unique identifier to enable the correct processing of information within music tuition.</p>	<p>Date of Birth is now required as part of the online registration process.</p>	Acting music Co-ordinator	August 2019	Completed July 2019.
<p>2.3.5 - The spreadsheet should be updated and reviewed to confirm completeness / accuracy.</p>	<p>A key has been created to ensure a consistent approach to recording information by using a pre-set index/legend or colours:</p>	Acting music Co-ordinator	December 2019	Completed July 2019.
<p>2.5.4 - If the spreadsheet is to remain the management tool for payment requests /</p>	<p>Points b,c,d, and e are superseded by the online payment system.</p> <p>A – email reminders for next term payment are manually sent by the music office two weeks before the start off the new term. In the future these emails will be automated.</p>	Acting music Co-ordinator	October 2019	Completed July 2019. Automated payment reminders schedules

recovery, then the following changes should be implemented:				to be automated between January and June 2020.
2.6.3 - Recommendation A termly reconciliation between the cash receipting system and the pupil spreadsheet should be carried out and any differences timeously investigated and corrected.	Service response is implemented.	Acting music Co-ordinator	October 2019	Completed July 2019.
2.7.8 - The Service should review the eligibility to concessionary entitlement prior to each termly payment request being issued and ensure the eligibility is fully supported.	Service response is implemented. Free school meals / Clothing Grants – parents register entitlement for this when they pay tuition fees online. The music office then eligibility with Seemis (FSM) and Revenues and Benefits (CG).	Acting music Co-ordinator	August 2019	Completed July 2019.
2.8.3 - The Function should confirm what the Policy is regarding non-payment of tuition fees and how this will affect provision of tuition, and thereafter apply it is practice.	Reminders of non-payment of tuition fees are sent twice per school term (in the middle and at the end).	Acting music Co-ordinator	August 2019	Completed July 2019.
2.8.4 - The pupil spreadsheet should be updated to capture the outstanding debt balance for each pupil / parent.	Service response is implemented.	Acting music Co-ordinator	October 2019	Completed July 2019.

2.8.5 - The Service should follow Financial Regulations regarding the write off of unpaid debts.	Service response is implemented.	Acting music Co-ordinator	August 2020	Completed July 2019.
2.9.4 - The procedures should detail how to authorise a refund and how a deferral is to be calculated.	Currently, all refunds to credit cards require approval of the Co-ordinator, which is saved to the network drive. Following the introduction of online payment, there will be a no refund policy.	Acting music Co-ordinator	August 2020	Completed- July 2019.
2.10.5 - A full check of the inventory should be undertaken, by removing every item from the store and then checking each back in, ensuring that empty cases are shown as such; instruments without stock codes are identified and recoded; and items awaiting repair are included. The Service should obtain replacement costs for all items on their inventories to ensure that insurance cover is adequate.	This will be done in three phases: 1. instruments currently in store 2. instruments being stored in schools 3. instruments on loan to pupils	Acting music Co-ordinator	August 2021	Beginning at INSET 20 th August.
2.10.6 - The Service should require parents to resign the terms and conditions as part of the instrument hire payment process.	Superseded by online system.	Acting music Co-ordinator	October 2019	Completed July 2019.

<p>2.10.7 - The Service should introduce a process whereby the transfer of instruments between staff and pupils is fully documented.</p>	<p>The Service will email notification to parents that their child has received a Council musical instrument.</p> <p>Receipts will then be scanned and saved to the network drive.</p> <p>When returning instruments back to store instructors will complete and email a receipt form to the office (attached – RETURN OF INSTRUMENT form).</p> <p>The office will then email a copy of the form to the parents to confirm receipt of instrument.</p>	<p>Acting music Co-ordinator</p>	<p>December 2019</p>	<p>Completed July 2019.</p>
<p>2.10.8 - The system in place for managing the new annual hire charges should address all the weaknesses of the current tuition fees payment system.</p>	<p>Superseded by online system.</p>	<p>Acting music Co-ordinator</p>	<p>October 2019</p>	<p>Completed July 2019.</p>

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Progress
REPORT NUMBER	IA/19/011
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2 and 2.4

1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of Internal Audit's progress against the approved 2018/19 and 2019/20 Internal Audit plans.

2. RECOMMENDATIONS

- 2.1 The Committee is requested to review, discuss and comment on the issues raised within this report and the attached appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 The Internal Audit plan for 2018/19 was approved by the Audit, Risk and Scrutiny Committee on 22 February 2018 and that for 2019/20 was approved on 14 February 2019. The plans included an indicative date by when it was planned to report each audit to Committee and progress against the plan has been reported to each subsequent meeting of the Committee.
- 3.2 Appendix A to this report shows progress with the audits contained in the 2018/19 plan. A summary is shown in the following table.

2018/19 Planned Audit Status	As at 12 September 2019 by Original Target Committee Date						%age
	Jun 18	Sep 18	Dec 18	Feb 19	Apr 19	Total	
Complete	1	9	5	5	2	22	88.0
Draft Report Issued	0	0	0	0	1	1	4.0
Work in Progress	0	0	0	0	0	0	0.0
(*) Moved to future year	0	0	0	1	1	2	8.0
To Start	0	0	0	0	0	0	0.0
Total	1	9	5	6	4	25	100.0

(*) As agreed by the Audit, Risk and Scrutiny Committee on 14 February 2019

3.3 Appendix B to this report shows progress with the audits contained in the 2019/20 plan. A summary is shown in the following table.

2019/20 Planned Audit Status	As at 12 September 2019 by Original Target Committee Date						%age
	Jun 19	Sep 19	Dec 19	Feb 20	Apr 20	Total	
Complete	0	3	0	0	0	3	11.1
Draft Report Issued	1	1	0	0	0	2	7.4
Work in Progress	1	4	0	0	0	5	18.5
To Start	0	0	7	5	5	17	63.0
Total	2	8	7	5	5	27	100.0

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Where planned progress is not maintained, there is a risk that sufficient work will

not have been completed by the end of the financial year for Internal Audit to complete its annual opinion on the Council's control environment.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.
- 7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is to report Internal Audit's progress to Committee. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

- 9.1 Appendix A – Progress with 2018/19 Internal Audit Plan.
- 9.2 Appendix B – Progress with 2019/20 Internal Audit Plan.

10. REPORT AUTHOR DETAILS

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(01467) 537861

APPENDIX A

PROGRESS WITH 2018/19 INTERNAL AUDIT PLAN

(Note – text in italics represents updates provided to Committee previously)

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for April 2019 Committee (continued)

Management of high-risk contracts	To focus on recent identified issues: - 3 rd Don Crossing - Photovoltaic Panels	Draft report due to be issued	05.07.19	Amber	<i>Work commenced on this review but there were delays in identifying the appropriate officers to discuss it with, and obtaining supporting information from various services.</i>
		Draft report issued	15.08.19		
	To include data / intelligence used for monitoring and escalation of risk.	Management response due	05.09.19	Green	
		Management response received	23.08.19		
		Final draft issued to management	23.08.19	Green	
		Management confirmation received	TBC		
		Original target Committee date	30.04.19	Amber Red	See below:
		Revised Committee date	26.06.19		
		Changed to	25.09.19		
		Changed to	04.12.19		

The Director of Resources had instructed officers not to respond to anything at the time relating to one of the sampled projects as they were in the process of concluding the building contract and gaining access rights for the operator and the team were under extreme pressure to ensure delivery of the new venue. Virtually every day or two there was a critical path deadline that cannot be missed. Information was provided shortly after the draft Internal Audit report was issued, and has been incorporated into the final draft.

APPENDIX B

PROGRESS WITH 2019/20 INTERNAL AUDIT PLAN

(Note – text in italics represents updates provided to Committee previously)

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for June 2019 Committee

Shutdown of Non-essential Spend	To provide assurance that the shutdown of non-essential spend has been effective in achieving its objective and instructions were complied with.	Draft report due to be issued Changed to Changed to Draft report issued	30.04.19 05.07.19 TBC TBC	Amber Red	<i>Not all data requested from Finance, which was to be provided to Internal Audit by 24.05.19, has been received – delayed by year-end process.</i> Data / information requested from Finance to complete this audit still to be received.
		Original target Committee date Revised Committee Date Changed to	26.06.19 25.09.19 04.12.19	Amber Red	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for June 2019 Committee (continued)

Income Generation	To provide assurance that budgeted income generation is based on robust assumptions and is being realised.	Draft report due to be issued Changed to Draft report issued	30.04.19 28.06.19 28.06.19	Amber	<i>Due to delays in information received from Services.</i>
		Management response due Reminder sent Management response received	19.07.19 09.09.19 TBC	Red	
		Original target Committee date Revised Committee Date Changed to	26.06.19 25.09.19 04.12.19	Amber Red	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for September 2019 Committee

Car Parking and Bus Lane Enforcement Income	To provide assurance that procedures regarding income collection and the management of fines are adequate.	Draft report due to be issued	TBC	Amber	Difficulties were encountered in identifying appropriate points of contact for this audit. Subsequently, the allocated auditor has been signed off work.
		Draft report issued	TBC		
		Original target Committee date	25.09.19		
		Revised Committee date	04.12.19		

Building and Road Services Stock Control	To provide assurance that procedures are adequate and stock movements are adequately accounted for.	Draft report due to be issued	20.09.19	Amber	The commencement of this audit was delayed due to additional work being required to progress the 2018/19 audit of High Risk Contracts. There have been subsequent delays in the Service nominating contact officers and arranging initial meetings.
		Draft report issued	TBC		
		Original target Committee date	25.09.19		
		Revised Committee date	04.12.19		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for September 2019 Committee (continued)

Ring-fenced Funding	To provide assurance that the Council has appropriate arrangements in place to ensure that conditions relating to ring-fenced funding contained within Scottish Government Grant are complied with.	Draft report due to be issued Draft report issued	04.10.19 TBC		Work has recently commenced on this audit. Delay due to availability of Internal Audit resource.
		Original target Committee date Revised Committee date	25.09.19 04.12.19	Amber	
Risk Management	To provide assurance over the arrangements that are currently in operation within the Council.	Draft report due to be issued Draft report issued	23.07.19 30.07.19	Green	
		Management response due Management response received	13.08.19 13.08.19	Green	
		Final draft issued to management Management confirmation received	13.08.19 14.08.19	Green	
		Final report issued	14.08.19	Green	
		Original target Committee date Actual Submission to Committee	25.09.19 25.09.19	Green	
Travel Policy	To provide assurance that the Council has appropriate arrangements in place and that these are being complied with.	Draft report due to be issued Draft report issued	30.07.19 26.07.19	Green	The Cluster will be unable to respond until w/c 19.08.19 due to annual leave in the team. The Internal Auditor will then be on annual leave, resulting in a delay to completion of the audit.
		Management response due Reminder sent Management response received	09.08.19 09.09.19 TBC	Amber	
		Original target Committee date Revised Committee date	25.09.19 04.12.19	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for September 2019 Committee (continued)

Timesheets and Allowances	To provide assurance that payments are accurate and justified, and that improvements recommended in previous reviews have been fully implemented.	Draft report due to be issued	TBC	Amber	Start of audit delayed as auditor has been on jury service. Access to Payroll System requested on 30.07.19. Not yet provided. Cluster have had difficulties downloading payroll data from CoreHR to facilitate testing.
		Draft report issued	TBC		
Cyber Security	To provide assurance that the controls detailed in the Corporate Risk Register (Corp006) are effective and that Assurance actions are progressing as planned.	Original target Committee date	25.09.19	Green	
		Revised Committee date	04.12.19		
		Draft report due to be issued	30.07.19		
		Draft report issued	27.07.19		
		Management response due	14.08.19		
Management response received	05.08.19	Green			
Final draft issued to management	12.08.19	Green			
Management confirmation received	14.08.19	Green			
Final report issued	14.18.19	Green			
Original target Committee date	25.09.19	Green			
Actual Submission to Committee	25.09.19	Green			

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for September 2019 Committee (continued)

Housing Rent Income	To provide assurance over rent collection and arrears recovery procedures.	Draft report due to be issued	30.07.19	Green		
		Draft report issued	26.07.19			
		Management response due	21.08.19			Green
		Management response received	23.08.19			
		Final draft issued to management	23.08.19			Green
		Management confirmation received	30.08.19			
		Final report issued	09.09.19	Green		
		Original target Committee date	25.09.19	Green		
		Actual Submission to Committee	25.09.19			

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for December 2019 Committee

Fostering and Adoption Payments	To provide assurance over Fostering and Adoption Allowances being paid.	Original target Committee date	04.12.19		
Industrial and Commercial Property Rental Income and Void Control	To provide assurance over the processes in place for letting, recovering rental income, and managing voids for industrial and commercial premises.	Original target Committee date	04.12.19		
HR / Payroll System	To provide assurance that there is adequate control over the new CoreHR system and that issues raised in relation to previous system have been addressed.				The Cluster has requested that this audit be delayed until January 2020 to allow the team to further embed the system and remain focussed on the current rollout of additional functionality to the benefit of the organisation.
		Original target Committee date Revised Committee date	04.12.19 07.05.20		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for December 2019 Committee (continued)

Transformation	To provide assurance that the Council is continuing to make progress to ensure the success of its transformational aspirations.	Original target Committee date	04.12.19		
Civil Contingencies	To provide assurance that the Council has taken the necessary action and has plans in place to mitigate risks identified in the Corporate Risk Register (Corp004) to ensure that it can deliver on its obligations in the event of an emergency.	Original target Committee date	04.12.19		
Voids – Housing Repairs	To provide assurance regarding the process for re-letting void properties and compliance therewith.	Original target Committee date	04.12.19		
Cash Collection	To provide assurance over procedures in operation relating to sample of cash collection locations.	Original target Committee date	04.12.19		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019		Red Amber Green	Comment where applicable
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Originally Planned for February 2020 Committee

Gas Servicing Contract	To provide assurance that contractual and operational issues are being complied with				
SEEMIS	To provide assurance that appropriate control is being exercised over the system in view of the perceived criticality of the system and the significant volume of sensitive personal data held.				
School Catering Income and Expenditure	To provide assurance over income and procurement expenditure relating to school catering operations				
Financial Ledger System	To provide assurance over system controls, business continuity and contingency plans.				
Information Governance	To provide assurance that the controls in place for mitigating the risks identified in the Corporate Risk Register (Corp005) are adequate and operating as expected.				

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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Originally Planned for April 2020 Committee

Workforce Planning	To provide assurance that the Council has appropriate and adequate plans in place to determine its workforce requirements and that these are in operation throughout the Council.				
Performance Management	To provide assurance that the Council has effective performance management arrangements in place which produce accurate data				
Craft Workers Terms and Conditions	To provide assurance that new Terms and Conditions have been implemented and are being complied with.				
Procurement Compliance	To provide assurance that the Council has appropriate arrangements in place, that are being complied with, to ensure compliance with procurement legislation and internal regulations.				
Contract Monitoring – H&SCP Commissioned Services	To provide assurance that contract monitoring arrangements relating to Social Care Commissioned Services are adequate.				

SUBJECT / SCOPE	OBJECTIVE	Progress as at 12 September 2019	Red Amber Green	Comment where applicable
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No Planned Reporting to Committee

<p>Interreg Projects where Aberdeen City Council is involved as a Lead Partner and / or Project Partner</p>	<p>To certify required grant claims in accordance with Programme requirements.</p> <p><i>There will be no specific reporting to management or the Audit, Risk and Scrutiny Committee in relation to these grant claims unless a significant issue is identified.</i></p>	<p><u>April 2019:</u> ACE Retrofitting Project ACC Partner Claim for reporting period 4 certified.</p> <p><u>May 2019:</u> BEGIN Partner Claim for reporting period 4 certified.</p> <p><u>June 2019</u> HyTrEc 2 Partner Claim for period reporting period 4 certified.</p> <p><u>July 2019</u> HyTrEc 2 Lead Beneficiary Claim for period reporting period 4 certified.</p> <p><u>August 2019</u> HeatNet Partner Claim for reporting period 4 certified.</p> <p><u>September 2019</u> SCORE Project Partner Claim for reporting period to 30.06.19 in progress. ACE Retrofitting Project Partner Claim for period to 30.06.19 in progress. HECTOR / HyWAVE Project Partner Claim for period to 30.06.19 in progress.</p>		
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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Reports – Follow-up of Agreed Recommendations
REPORT NUMBER	IA/19/012
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.3

1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of progress made by Services with implementing recommendations that have been agreed in Internal Audit reports.

2. RECOMMENDATIONS

The Committee is requested to:

- 2.1 Review, discuss and comment on the issues raised within this report and the attached appendices.
- 2.2 Confirm whether it agrees with the request from management regarding the remaining recommendation in Internal Audit Report AC1617 – Self-Directed Support as detailed in appendix F to this report.

3. BACKGROUND / MAIN ISSUES

- 3.1 The Public Sector Internal Audit Standards require that Internal Audit monitors the implementation of agreed recommendations until they are implemented by management. The Corporate Management Team and the Audit, Risk and Scrutiny Committee receive a report from Internal Audit at each of its meeting which shows progress made.
- 3.2 However, circumstances may change following completion of an Internal Audit. Having investigated implementation more fully, a recommendation may, for example, take longer to implement, or the cost of implementation may be higher, than originally anticipated. In these circumstances either more time may be required, or management may conclude, based on the

risk to the organisation, that the recommendation should no longer be implemented. Where this is the case, management will make recommendations regarding how the agreed recommendation should be treated.

3.3 The attached appendices show progress made by Services with completing agreed Internal Audit recommendations, based on assurances received from officers tasked with their implementation and independent checks where appropriate. Where all recommendations contained in individual reports issued before 1 April 2019 have been completed, these are no longer shown in the appendices.

3.4 Where recommendations have not been completed by their original due date, reasons are provided along with recommendations from management (where appropriate) regarding how and when the agreed Internal Audit recommendation will be concluded or whether it should no longer be implemented.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

7. OUTCOMES

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

- 9.1 Appendix A – Position with Agreed Recommendations – Summary.
- 9.2 Appendix B – Position with Agreed Recommendations – Cross Service.
- 9.3 Appendix C – Position with Agreed Recommendations – Customer.
- 9.4 Appendix D – Position with Agreed Recommendations – Operations.
- 9.5 Appendix E – Position with Agreed Recommendations – Resources.
- 9.6 Appendix F – Position with Agreed Recommendations – Health and Social Care Partnership.

10. REPORT AUTHOR DETAILS

David Hughes, Chief Internal Auditor
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APPENDIX A – SUMMARY

POSITION WITH AGREED RECOMMENDATIONS AS AT 12 SEPTEMBER 2019

The following table provides a summary of progress being made by Services with completing agreed recommendations.

On 26 June 2019, the Committee was advised that, as at 13 June 2019, there were 21 recommendations which were due to have been completed by 30 April 2019 which were not fully complete. This has now reduced to 16.

The total not fully complete, which had an original due date of before 31 July 2019, is 23. Full details relating to progress, on a report by report basis, are shown in appendices B to G.

FUNCTION	Agreed in reports shown in Appendices B to G	Due for completion by 30.04.19	Confirmed complete by Service	New in May to July 2019	Confirmed complete by Service	Not fully complete by original due date	Major	Significant	Important
Cross Service	27	3	3	14	11	3	0	3	0
Commissioning	0	0	0	0	0	0	0	0	0
Customer	35	10	10	14	11	3	0	3	0
Operations	24	23	16	1	0	8	1	7	0
Resources	38	38	30	0	0	8	0	7	1
Health & Social Care	37	21	20	10	10	1	0	1	0
Total	161	95	79	39	32	23	1	21	1

KEY TO COLOURING USED IN FOLLOWING APPENDICES

Recommendation Grading:

Grading	Definition
Major	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation. Financial Regulations have been consistently breached.
Significant	Addressing this issue will enhance internal controls. An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on a system's adequacy and effectiveness. Financial Regulations have been breached.
Important	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

Length of time overdue

Over 12 months
6 to 12 months
Less than 6 months

APPENDIX B

CROSS SERVICE

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1914	Procurement Compliance	April 2019	15	9	7	2	2 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Commercial and Procurement Services	CPS should implement a system for delegated procurement authority (2.1.3)	Significant	The Service has advised that significant work has been undertaken by a short life working group to review all aspects of the process to award Delegated Procurement Authority to procuring officers and to set up and maintain a register. A Project Plan has been created to monitor the implementation of this work which will be complete by the end of January 2020.
		July 2019	
Head of Commercial and Procurement Services	Framework call offs should be registered as separate contracts (2.2.15)	Significant	The Service has advised that an extensive review of frameworks is being undertaken as a result of the procurement management board requirement to mandate use of frameworks. This will include the process for recording call-offs. A further update on progress will be available by September 2019.
		June 2019	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1918	Health and Safety	February 2019	12	8	7	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Governance	Functions should identify Health and Safety skills and training needs once an appropriate system has been put in place (2.2.9a)	Significant July 2019	The Service has advised that the implementation date for this recommendation should have been July 2020 to tie in with another linked recommendation. In view of this, the implementation date will be re-set and followed up in the future.

APPENDIX C

CUSTOMER

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1909	Timesheets and Allowances	August 2018	7	5	4	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Customer	The Service should ensure that the new Payroll system can monitor working hours to ensure compliance with the 48-hour rule across the Council (2.4.6)	Significant July 2019	A monthly report will be run from CoreHR identifying any staff who have claimed overtime, the hours they have claimed and their contracted hours. This will be passed to managers to monitor against the Working Time Directive. Reports are in the process of being finalised and guidance is being prepared. This will be in place by the end of August 2019.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1912	Data Security in a Cloud- Based Environment	May 2019	14	11	10	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Digital and Technology	Data Protection Impact Assessments should be completed for Office 365. (2.3.20a)	Significant July 2019	The Service has advised that a draft Data Protection Impact Assessment (DPIA) for Office 365 has been extensively worked on by the Digital & Technology team. The scope has increased due to the breadth and complexity of the system; however, the service envisages the DPIA will be complete by the end of August 2019.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1917	NPS Housing System	February 2019	14	8	7	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Digital and Technology	The required system upgrade to version 6.18 should be applied to the Housing system (2.3.5)	Significant June 2019	<p>The latest update from the Service is that the Service continues to work with Digital & Technology and the supplier to perform incremental upgrades. Various interfaces are being tested along with associated Infrastructure upgrades.</p> <p>The scope of the upgrade process has increased which has added significant complexity. On that basis the required system upgrade is now due to be completed by October 2019.</p>

APPENDIX D

OPERATIONS

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1602 AW	Craft Workers Terms and Conditions	October 2015	9	9	8	1	1 Major
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The position with the overdue recommendation is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	The Service should renegotiate the Agreement based on current working practice (2.2.6)	Major June 2016	See below:

- Committee advised on 27 September 2016 that this would be complete by December 2016.
- Committee advised on 23 February 2017 that this would be complete as soon as possible in 2017.
- Committee advised on 22 June 2017 that this would be complete in the near future.
- Committee advised on 26 September 2017 that this would be complete by June 2018.
- Committee advised on 25 September 2018 that this is to be subject to review and will be included in the work-plan for delivery of the transformation programme.
- Committee advised on 4 December 2018 that this would be resolved by April 2019
- Committee advised on 30 April 2019 that this would be resolved by August 2019.
- Committee advised on 26 June 2019 that consultation on the proposed agreement, with Unions and employees, will commence in June 2019. Subject to the success of these negotiations it is intended that a report will be submitted to the 1 October 2019 meeting of the Staff Governance Committee for approval. The Service has stated that progress with this action has been delayed on several occasions due to circumstances out with its control, and it is anticipated that the current actions will resolve the outstanding action.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1817	Vehicle Usage	January 2018	8	8	4	4	4 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	The Council should develop and roll out a single policy on the use of Council owned vehicles, ensuring this includes whether and in which circumstances non-business use or carriage of passengers is allowed (2.1.4)	Significant	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by October 2019.
		April 2019	
Operations and Protective Services	Fleet should ensure that all Services have access to regular reports on vehicle use, know how to check these and what issues to consider (2.2.7)	Significant	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by October 2019.
		April 2019	
Operations and Protective Services	Fleet utilisation should be reviewed corporately to maximise efficiency (2.2.14)	Significant	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by October 2019.
		April 2019	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

(AC1817 – Vehicle Usage – Continued)

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	A corporate review is required on Services allowing employees to take vehicles home and use them for day to day commuting, to ensure such instances present a net benefit to the Council (2.2.22)	Significant April 2019	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by October 2019.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	
AC1903	Devolved School Management	November 2018	7	7	4	3	3 Significant
The position with the overdue recommendations is as follows:							
Chief Officer	Recommendation	Grading / Due Date	Position				
Corporate Landlord	The DSM framework should be updated to reflect current arrangements, finalised and approved by Committee (2.1.5)	Significant June 2019	The Service has advised that national guidance, required to complete this recommendation, will now be available in August 2019 (rather than April 2019). This will now be complete by the end of October 2019.				
Corporate Landlord	The DSM Budget Allocation Formulae and Operational procedure and Quality Assurance Framework - Financial Management schools procedure should be updated to reflect current devolved budget arrangements (2.1.8)	Significant March 2019	<ul style="list-style-type: none"> The Committee was advised on 26 June 2019 that Internal Audit was awaiting an update from the Service. 				
Corporate Landlord	A procedure should be prepared covering the DSM review process (2.9.1)	Significant April 2019	<ul style="list-style-type: none"> The Committee was advised on 26 June 2019 that Internal Audit was awaiting an update from the Service. 				

APPENDIX E

RESOURCES

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1806	Corporate Landlord Responsibilities	September 2017	9	9	6	3	3 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Corporate Landlord	The Service should formalise the procedures used to demonstrate compliance with its Corporate Landlord Responsibilities and other cyclical maintenance activities (2.2.3)	Significant	<ul style="list-style-type: none"> Committee advised on 25 September 2018 that this would be complete by October 2018. Committee advised on 14 February 2019 that Internal Audit was awaiting an update on progress from the Service. Committee advised on 26 June 2019 that Internal Audit was awaiting a copy of the completed procedure before marking the recommendation off as complete.
		June 2018	
Corporate Landlord	The Service should ensure data regarding its Corporate Landlord Responsibilities is maintained centrally, accurately and up to date (2.3.8)	Significant	<ul style="list-style-type: none"> Committee advised on 25 September 2018 that this would be complete by October 2018. Committee advised on 14 February 2019 that Internal Audit was awaiting an update on progress from the Service. Committee advised on 26 June 2019 that a solution to this recommendation would be piloted in July 2019.
		June 2018	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

(AC1806 – Corporate Landlord – Continued)

Chief Officer	Recommendation	Grading / Due Date	Position
Corporate Landlord	The Service should ensure it has assurance that all property in which the Council has an interest is statutorily compliant (2.3.13)	Significant June 2018	<ul style="list-style-type: none"> Committee advised on 25 September 2018 that this would be complete by October 2018. Committee advised on 14 February 2019 that Internal Audit was awaiting an update on progress from the Service. Committee advised on 26 June 2019 that a solution to this recommendation would be piloted in July 2019.

AC1819	Capital Contracts	February 2018	8	8	7	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Capital	The Service should review estimating and scheduling to ensure it can demonstrate that best value is being achieved (2.4.12)	Significant April 2019	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by June 2019. <p>The latest update from the Service is procedures have been reviewed and will be issued by the end of August 2019.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1823	Fixed Asset Register	August 2018	7	7	5	2	2 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Finance	Accounting transactions should be reflected in the ledger (2.6.1a)	Significant	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by September 2019.
		April 2019	
Finance	The ledger should be reconciled to the fixed asset register and Financial Statements (2.6.1b)	Significant	<ul style="list-style-type: none"> Committee advised on 26 June 2019 that this would be complete by September 2019.
		April 2019	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1902	Debtors System	August 2018	14	14	12	2	1 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Finance	Procedures should be updated as required and issued to appropriate staff (2.1.4)	Significant	<ul style="list-style-type: none"> Committee advised on 14 February 2019 that this would be complete by May 2019. Committee advised on 26 June 2019 that this would be complete by June 2019. <p>The latest update from the Service is that this is now largely complete and will be finalised by the end of September 2019.</p>
		December 2018	
Finance	The Service should revise aged debt reports to highlight where recovery action is required (2.7.6)	Important	<ul style="list-style-type: none"> Committee advised on 14 February 2019 that this would be complete by June 2019. <p>The latest update from the Service is that this is complete. Internal Audit is awaiting receipt of evidence to support this before closing the recommendation off.</p>
		December 2018	

APPENDIX F

HEALTH AND SOCIAL CARE **PARTNERSHIP**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	

AC1617	Self-Directed Support	October 2016	21	21	20	1	1 Significant
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Progress with the overdue recommendations is detailed below:

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Strategy and Transformation (ACC H&SCP)	The Service should finalise and implement the Contributing to Your Care and Support Policy and guidance (2.4.2)	Significant March 2017	<ul style="list-style-type: none"> Committee advised on 22 June 2017 that this would be complete by October 2017. Committee advised on 23 November 2017 that this would be complete by April 2018. Committee advised on 8 May 2018 that this would be complete by September 2018. Committee advised on 25 September 2018 that this would be complete by March 2019. Committee advised on 30 April 2019 that this would be complete by July 2019.

The latest update from the Service is that Officers have developed an action plan to implement the Contributing to Your Care Policy. This work includes providing guidance and training for staff; issuing letters to all clients; adding new/reviewed clients; and then completing the existing client switchover. There are currently over 1500 clients (this includes Care at Home; Free Personal Care; Housing Support; Respite; Social / educational and recreational; and Direct Payment clients). Based on the number of clients and the time to transfer all the new and existing clients to the system, it is estimated that the whole process will be complete by 31 March 2021.

The Service is requesting that the recommendation be closed off based on the implementation plan submitted to Internal Audit and that Internal Audit include a review of this area in its plan for 2020/21 to provide assurance over progress.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.19	Confirmed Implemented by Service	Not implemented by original due date	
AC1919	Criminal Justice	April 2019	8	7	7	0	0
AC1920	National Care Home Contract	January 2019	8	3	3	0	0

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2005 – Cyber Security
REPORT NUMBER	IA/AC2005
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Cyber Security.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Cyber Security.

3.2 Management Comments

- 3.2.1 The increasing use of digital technology brings many benefits to our organisation, however there is a constant and ever-changing threat landscape. This audit has been a supportive and useful measure and provides reassurance to both the IT Security team and the wider business of our awareness and positive approach to protect the organisation against cyber threats.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

7. OUTCOMES

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

9.1 Internal Audit report AC2005 – Cyber Security.

10. REPORT AUTHOR DETAILS

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Internal Audit Report

Digital & Technology

Cyber Security

Issued to:

Andy McDonald, Director of Customer Services
Andrew Howe, Chief Officer – Digital and Technology
Fraser Bell, Chief Officer – Governance
Jonathan Belford, Chief Officer – Finance
Norman Hogg, Security Architect
External Audit

EXECUTIVE SUMMARY

The Council's Corporate Risk Register identifies Cyber Threats as a risk to the Council's core functions and data. It details a number of mitigating controls that are in place to manage this threat and the objective of this audit was to provide assurance over these controls.

Risk Registers in place contain appropriate risk assessments and mitigating controls which take cognisance of national guidance. Where controls are not considered by management to be fully effective, an assurance action has been put in place to make necessary improvements.

Whilst progress with Cyber Security assurance actions had been reported regularly as expected, some actions had been delayed. Assurance actions were found to be progressing as expected towards revised due dates reported, with the exception of one action to risk assess Council systems for criticality, which will require further action upon the release of the Scottish Government Cyber Resilience Framework by the Scottish Government.

The Service is reporting regularly on Cyber Security breaches and their related prevention, to the Digital and Technology Management Team, Information Governance Group, and Audit, Risk and Scrutiny Committee.

Work has been undertaken to address the elements of key actions in the Cyber Resilience Scottish Government's Public Sector Action Plan which the Council is responsible for.

The Council was carrying out IT Health Checks annually and demonstrated compliance with the Payment Card Industry Data Security Standard required to take card payments. The Council has yet to obtain Public Sector Network accreditation, required to facilitate collaboration with public sector organisations. This is due to be reassessed following the next ITHC in August 2019.

Some minor issues were identified during testing and, following discussion as detailed in the main section of this report, were addressed by the Service.

1. INTRODUCTION

- 1.1 The National Cyber Security Strategy describes 'cyber security' as: "the protection of information systems (hardware, software and associated infrastructure), the data on them, and the services they provide, from unauthorised access, harm or misuse. This includes harm caused intentionally by the operator of the system, or accidentally, as a result of failing to follow security procedures." Cyber resilience is key for Council infrastructure, systems and data to remain secure and effective.
- 1.2 The Scottish Government issued a Cyber Resilience Strategy Public Sector Action Plan 2017/18 with a number of key actions for all Scottish public bodies, with the aim that they work towards becoming exemplars in respect of cyber resilience, being well on their way to achieving this by the end of 2018.
- 1.3 In the twelve months to 30 June 2019 there were 20,532,717 incident attempts, 10 of which were successful and all were mitigated. In comparison, in the twelve months to 30 June 2018 there were 40,790,746 incident attempts, 12 of which were successful, and all were mitigated.
- 1.4 The objective of this audit was to provide assurance that the controls detailed in the Corporate Risk Register (CRR) under Corp006 – Cyber Security are effective and that Assurance Actions are progressing as planned.
- 1.5 Corp006 is defined as "Cyber Threats must be mitigated to protect the Council, its essential functions and customer data" and identifies a number of risk impacts, such as service disruption and reputational damage; causes, such as human error and failure to identify cyber threats; and controls, such as password security controls and staff training.
- 1.6 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Andrew Howe, Chief Officer – Digital and Technology, and Norman Hogg, Security Architect.

2. FINDINGS AND RECOMMENDATIONS

2.1 Written Policies and Procedures

- 2.1.1 Comprehensive written procedures which are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance that correct and consistent instructions are available to staff. This is important in the event of an experienced employee being absent or leaving, and they have increased importance where new systems or procedures are being introduced.
- 2.1.2 Written procedures and guidance covering cyber security, risk assessment and risk reporting are available on the Zone, primarily on the Introduction to Information Security page. These include the Risk Management Framework, the Corporate Information Policy, the Protective Monitoring Policy, the ICT Acceptable Use Policy and ICT Access Control Policy, the Managing Information Handbook and a guide to Information Security Incident Reporting.
- 2.1.3 The policies were reviewed and they were considered to be comprehensive and up to date; all had been reviewed as scheduled. One guidance document, Internet & Email FAQs, did not contain version dates and contained obsolete information; the Service advised that this has been replaced by the Protective Monitoring Policy and associated documents and should have been removed from the Zone when these were published. This has now been done.

2.2 Training

- 2.2.1 The Scottish Government Public Sector Action Plan key action 6 requires public bodies to provide assurances on appropriate staff training, awareness raising, and disciplinary policies with regard to cyber resilience. Expected standards of behaviour are covered in the Employee Code of Conduct, which states “Employees are required to always do their best in their jobs and to always act to protect the interests of the Council. Employees are expected to carry out all proper instructions and observe the rules, policies and procedures laid down to ensure efficient working and to secure the safety of themselves and others”. The Code of Conduct refers to the ICT Acceptable Use Policy, which details what use is not acceptable and lists measures taken to monitor and protect systems. Consequences of misuse range from the suspension of ICT access to disciplinary action and disclosure to law enforcement agencies.
- 2.2.2 Awareness raising is covered through policies and procedures, mandatory training, and news items on the corporate intranet.
- 2.2.3 The mandatory Information Governance training, which covers data protection requirements under the General Data Protection Regulation (GDPR) and Council Information Security requirements (passwords and use of email), is required to be completed by all employees. Completion statistics are reported to the Information Governance Group on a quarterly basis and to each meeting of the Corporate Management Team (CMT), as part of risk Corp-005 Information Governance, included in the Corporate Risk Register. Training completion was 88%, as reported to CMT on 25 July 2019.
- 2.2.4 There are no OIL courses on risk management, but guidance is available in the Risk Management Framework.
- 2.2.5 Eleven members of staff were identified as responsible for maintaining information security and for assurance actions in CRR Corp006 and the Cluster risk register for Digital and

Technology. All relevant staff had undertaken the Information Governance training as required.

- 2.2.6 The Introduction to Information Security page referenced the availability of the For Your Eyes Only information security course; however, the Service has advised there is no longer a requirement to complete this course since the mandatory Information Governance training covers Information Security. The Service has confirmed that the Information Security page has subsequently been updated.

2.3 Risk Registers

- 2.3.1 The Scottish Government Public Sector Action Plan key action 2 required public bodies to put in place minimum cyber risk governance arrangements by the end of June 2018. As a result, cyber security risks should be included in corporate risk registers and regularly considered by Board-level or senior management staff.
- 2.3.2 “Cyber Security” has its own listing in the CRR as Corp006 and in the Digital and Technology Cluster Risk Register (DT001). The CRR is owned by the Corporate Management Team (CMT) and is reviewed monthly at CMT. In addition, there is an annual review by the Audit, Risk and Scrutiny Committee. The Cluster Risk Register was last reported to the Operational Delivery Committee on 6 November 2018 and is reviewed by the Cluster management team on a monthly basis. However, there were no records to confirm this monthly review. The Service has confirmed that minutes are now being maintained and separate monthly copies of the Cluster Risk Register will be retained to evidence changes.

2.4 Risk Assessment

- 2.4.1 All cyber security risks listed in the Corporate and Cluster registers appeared to have been assessed following the guidance provided in the Risk Management Framework. Total baseline risk had been calculated by scoring impact against likelihood; the effectiveness of proposed controls on those scores was predicted; and the residual risk was then calculated.
- 2.4.2 Corp006 was added to the Corporate Risk Register in 2018, when Corp007 “Information Management and Security” was split into 005 “Information Governance” and 006 “Cyber Security”. This links to the Scottish Government’s Public Sector Action Plan key action 2, demonstrating the Council’s commitment to manage risk from cyber threats. The Service advised that a number of risk causes and controls listed in Corp006 had been added some time ago and there was no paperwork substantiating how they had been identified or giving details of how the risk score had been calculated; however, the risk registers had been compared to those available from similar organisations and from best practice guidance from bodies such as the National Security Cyber Centre (NCSC), and are considered to be comprehensive.
- 2.4.3 The risk causes and potential impacts listed in Corp006 were reviewed by Internal Audit; they are detailed, relevant and comprehensive, covering causes from human error, through lack of or failure of preventative measures, to lack of recognition of new and existing threats.
- 2.4.4 The Digital & Technology Cluster Risk DT001 “Service Delivery” is defined as the impact of service disruption on the ability of the Council to deliver key services. A number of the risk causes are related to cyber security, including the use of obsolete domains and operating systems which are no longer supported by the supplier; the use of unauthorised and high risk software; and increased use of the cloud leading to a greater risk of

unauthorised access. The risk causes, as above, are detailed, relevant and comprehensive.

2.5 Risk Controls

- 2.5.1 The Scottish Government's Cyber Resilience Strategy Public Sector Action Plan Implementation Toolkit describes good practice for organisations when considering risk causes and controls. The guidance also recommends that the National Cyber Security Centre's (NCSC) risk management guidance collection be considered. The risk causes in Corp006 reported to Committee in September 2018 show consideration of the issues raised in Government guidance; they consider lack of oversight and failure to understand threats, human error, network security and insufficient preventative measures, insider and external threats, system vulnerabilities, and maintaining accreditation.
- 2.5.2 The risk controls listed in the corporate risk Corp006 (as reported to CMT 25 July 2019) were reviewed to confirm they are comprehensive, effective, and follow good practice guidelines.
- 2.5.3 Controls are listed as fully, partially or not effective. The Service advised that the effectiveness or otherwise of controls was considered on an informal basis within the Service. Those which are not fully effective should link to an assurance action in the next section of the risk entry in the Register. Assurance Actions were listed in CRR Corp006 for every risk control identified as not fully effective as at July 2019.
- 2.5.4 Versions of the CRR reported between September 2018 and July 2019 were reviewed. Regular updates in the Latest Notes field and in the relevant Assurance Actions section, showed measures being taken to increase effectiveness of controls; all the controls showed either progress or no regression over the reporting period (considered further under section 2.6).
- 2.5.5 The controls described complied with those recommended in guidance; for example, use of protective monitoring and anomalous behaviour detection tools to control the risk of insider threats and external attacks, and security training and awareness raising of cyber threats for all staff.
- 2.5.6 The following Cop006 controls were described as "fully effective":
- implementation of protective monitoring (see paragraph 2.1.2 above);
 - corporate oversight via Information Governance Board (see paragraph 2.7.6 below);
 - effective security training and awareness programme for staff (see section 2.2 above);
 - restricted access to key personnel to secure facilities (data centre and cloud provider security reviewed in Internal Audit reports AC1810 and AC1912);
 - continual assessment of new and emerging threats (Council's Security Team – covered in AC1810 and AC1912);
 - annual IT Health Check (last completed July 2018);
 - password security controls in place (covered in AC1912 – ICT Acceptable Use Policy)
 - recommended gateway and end point tools in place;
 - sufficient staff or resource to investigate events of significance;
 - appropriately secured links to all third parties.
- 2.5.7 Internal Audit has previously reviewed cyber security controls in Internal Audit report AC1810 "Major IT Business Systems" and AC1912 "Data security in a cloud based environment"; and controls were in operation as indicated above.

2.6 Assurance Actions

- 2.6.1 Risk controls in the registers which are not fully effective should be the subject of Assurance Actions indicating what measures are being undertaken to bring them to full effectiveness, with an owner, a progress rating and a due date. These measures should be updated every time the register is reviewed or reported, particularly if the due date needs to be extended. As stated at paragraph 2.5.3 above, Assurance Actions are listed in CRR006 for every risk control identified as not fully effective.
- 2.6.2 Since the risks, controls and actions listed in risk DT001 of the D&T Cluster Risk Register link to risk Corp006 of the CRR, assurance actions therein were also reviewed. It was noted that the delivery of an effective staff identity management system (IDAM) was reported as 40% complete in the Cluster risk register but 65% complete in the corporate risk register in July 2019. The Service has agreed to only report progress with the project in the CRR and has since removed the assurance action from the Cluster Risk Register.
- 2.6.3 Three assurance actions from Corp006 which could be traced from the September 2018 CRR report to the Audit, Risk and Scrutiny Committee through to the version reviewed by CMT in July 2019 were reviewed to confirm that measures undertaken were comprehensive, effective and appropriate. These were: “Develop the use of anomaly reporting”; “Risk assess Critical Business Systems”; and “Develop Cyber Resilience action plan”. The original due date had been amended delaying implementation, for the assurance actions “Risk assess Critical Business Systems” and “Develop Cyber Resilience action plan” by fifteen and eleven months respectively. With the exception of the action to risk assess critical business systems, which will require further action once guidance is provided by the Scottish Government, work was progressing to implement the assurance actions towards the revised due dates.

Develop the use of anomaly reporting

- 2.6.4 Anomaly reporting and behaviour analysis means that a network is constantly monitored for unusual events or trends, such as a spike in internet traffic or bandwidth use; monitoring tools may also react to abnormal behaviour for individual users, for example a log in from a foreign country or multiple failed password entries. It is particularly useful for detecting new threats which may go unrecognised by malware detection tools.
- 2.6.5 A related action “Investigate methods of, and tools to aid in, identifying and responding to indications of anomalous behaviour”, was listed in the CRR reported to the Audit, Risk and Scrutiny Committee on 25 September 2018 “as 50% complete and due to be completed by 30 September 2018, with the update that Identity Access Management and O365 projects were underway as well as a review of Network Management and Monitoring Systems. As reported to CMT, the investigation stage was completed in January 2019, and the investigation action was marked complete, with the January 2019 CMT Assurance Action stating the action will reappear at a later date in order to regularly investigate methods and tools (of identifying and responding to indications of anomalous behaviour).
- 2.6.6 In the February report to CMT, a related assurance action “Cyber Security 2 – O365/Azure/IDAM” was reported with 60% progress with a due date of 30 September 2019, with the update that as the area developed, security elements needed to be integrated, with the Service providing assurance through the use of a “best practice matrix” detailing required controls. Internal Audit observed that the matrix had been kept updated with progress implementing controls. By the July 2019 report to CMT the action had been renamed to “Develop the use of anomaly reporting” and had progressed to 70%, the due date remained at 30 September 2019, and the notes had been updated to indicate tools provided by Office365 were being explored and developed.

Risk assess Critical Business Systems

- 2.6.7 This assurance action was first reported to the Audit, Risk and Scrutiny Committee on 25 September 2018 as 80% complete, with the update that a dedicated resource had been allocated to the action, although there was a risk that the due date of 30 September 2018 might not be met. By the version reported to CMT in February 2019 this remained at 80% with an update that systems had been identified but work remained to complete documentation; the date was extended to 30 September 2019.
- 2.6.8 As at July 2019 this still remained at 80% with the due date postponed to December 2019 in order to document achievement of “baseline” technical and physical measures in accordance with the Scottish Government Cyber Resilience Framework, yet to be made available by the Scottish Government. This work will contribute to the creation of a revised Information Asset Register that reflects all Council systems, describing the nature of the data held and the adequacy of technical and physical controls, as recommended in Internal Audit report AC1912 “Data security in a cloud based environment”.

Develop Cyber Resilience action plan

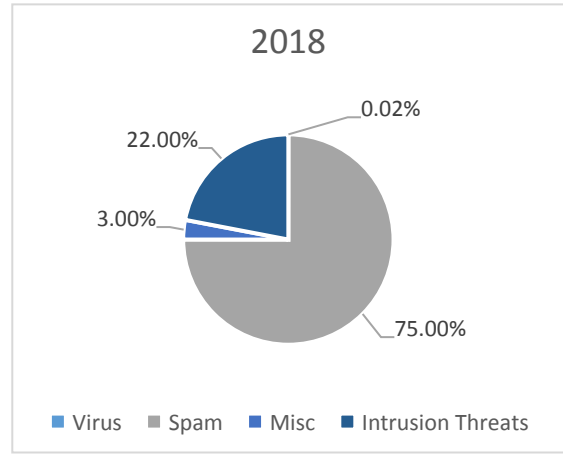
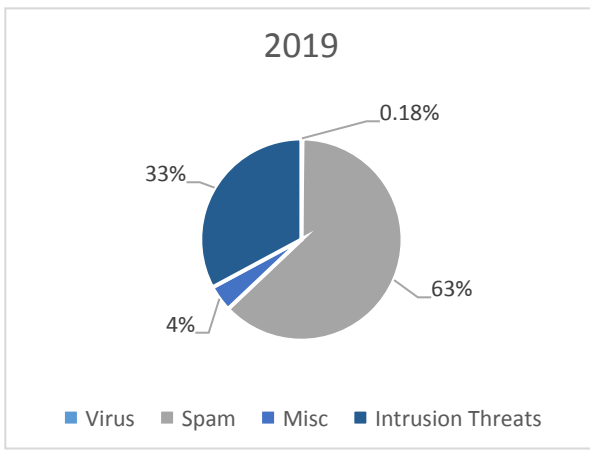
- 2.6.9 This assurance action is described as necessary to ensure compliance with the Scottish Government’s Cyber Resilience Strategy and the measures taken refer to the key actions in the Public Sector Action Plan, such as implementing a “Supply Chain Cyber Security Policy” (key action 8), achieving Cyber Essentials Plus certification (key action 4), and putting in place appropriate cyber incident response plans (key action 7).
- 2.6.10 The action was first reported in September 2018 as 85% complete, with a due date of 31 October 2018, and an update that preparations were underway for CE Plus assessment and the supply chain policy was under review by ICT and Commercial and Procurement Services (CPS). By February 2019 progress was at 98% with the update that key requirements had been met but some documentation was awaited from the Scottish Government. CPS advised that this had yet to be received from the Scottish Government. CE Plus certification was achieved in July 2018 and as of July 2019 the Service is preparing for re-assessment.
- 2.6.11 With some key actions complete, the action was amended in April 2019 to refer specifically to the creation of an incident management procedure and progress was reset to 80% with a due date of 30 September 2019. As of July 2019 the amended action was at 90% with the due date remaining at 30 September 2019.
- 2.6.12 The Service had carried out a low-level Cyber Security Incident exercise, with generally satisfactory results, leading to minor amendments required to enhance the procedure. The Service advised that another, higher-level exercise is scheduled for September 2019.
- 2.6.13 The Service also advised that guidance and templates covering cyber incident response plans had been received from the Scottish Government as described in the Public Sector Action Plan and a Council Cyber Incident Response Plan has been created based on these. The Plan was reviewed by Internal Audit and was considered to be comprehensive.

2.7 Cyber Resilience

- 2.7.1 The eleven key actions in the Scottish Government’s Public Sector Action Plan were reviewed to confirm that the Council had fulfilled its responsibilities. Work has been undertaken to address the elements of actions which the Council is responsible for, including: governance arrangements (key action 2); participation in the Cyber Security Information Sharing Partnership (key action 3); independent assurance of Council’s critical technical controls (key action 4), implementation of cyber security tools; training and

awareness raising (key action 6); and providing written assurance on key actions (key action 11) The remainder are the responsibility of the Scottish Government and the Council cannot act upon them until further information or guidance is received.

- 2.7.2 The written assurance to the Scottish Government (key action 11) contains details of the Council's work to implement the initial baseline stage of the Scottish Public Sector Action Plan on Cyber Resilience, that is, the measures taken to address the key risks and challenges identified. The responses are provided in a spreadsheet which automatically scores the position from Green+ (completely satisfactory) to Red (completely unsatisfactory). The Council's position was green for all scores with the exception of ACD WebCheck; ACD Protected DNS; Staff Training; and Cyber Incident Response Plan. The score for WebCheck appeared to be an error within the spreadsheet as the response was satisfactory, while the remainder were Amber as they were in the process of being implemented. The Service advised that all have now been fully implemented.
- 2.7.3 Other standards with which the Council should comply are the Public Sector Network (PSN), provided by central government with the aim of helping public sector organisations work together, reduce duplication and share resources; the government approved IT Health Check (ITHC); and the Payment Card Industry Data Security Standard (PCI DSS), an information security standard for organisations that handle branded credit cards from the major card schemes.
- 2.7.4 Achieving and retaining PSN accreditation is included in the Digital and Technology Risk Register DT001. The Council is currently not accredited but the update advises this will be re-assessed after the next ITHC. The ITHC has been carried out annually as required; it was last performed in July 2018 and is scheduled to be undertaken again in August 2019. The 2018 assessment found overall levels of security to be good, although a number of passwords were not strong enough and multi-factor authentication was recommended.
- 2.7.5 The Council is required to comply with PCI DSS in order to take card payments. Requirements include to maintain a firewall to protect cardholder data, protect systems against malware and to track and monitor all access to network resources and cardholder data. The Service provided evidence that the Council was compliant.
- 2.7.6 Details of attempts to breach the Council's cyber security measures are reported in "Trending Reports" produced by the Information Security team and presented at the Digital & Technology Senior Management Team monthly meetings, and are included in quarterly reports to the Information Governance Group and the Information Governance Management Annual Report which is presented to the Information Governance Group and the Audit, Risk and Scrutiny Committee. Copies of Trending Reports were obtained and had been produced on a monthly basis. They included various statistics, including: cyber risks prevented; email traffic; the Digital and Technology risk register status; and an update on the operational risks of high importance. Copies of the quarterly reports provided to the Information Governance Group were reviewed by Audit and were complete and regular.
- 2.7.7 Numbers of cyber incident attempts detected and prevented dropped from over 40 million over twelve months in 2018 to 22.5 million over a similar period in 2019. The number and proportion of spam emails fell (approximately 30 million to just over 14 million, 75% to 63%) while there was a lower number but greater proportion overall of intrusion threats, where an attempt is made to compromise system security (approximately 8.9 million to 7.4 million, 22% to 33%). In the twelve months to June 2018 12 attempts were successful and all were successfully mitigated, while to June 2019 10 attempts were successful but all were mitigated.



AUDITORS: D Hughes
 A Johnston
 L Jarvis

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2004 – Risk Management
REPORT NUMBER	IA/AC2004
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Risk Management.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Risk Management.

3.2 Management Comments

- 3.2.1 This audit has been supportive in confirming the workplan already in place within the Assurance Team in Governance, a key part of which will be the Risk Management Policy and related procedures.

- 3.2.2 The most significant findings relate to the development of a risk appetite for the Council against which an assessment of threats and opportunities can be made. This will encourage consistency in our risk management approach and will ensure that all Clusters are clear about the level and type of risk that we can tolerate. The audit also highlights as significant the need for risk registers to be kept under regular review by Chief Officers and used as a “live” document to support them in service design and delivery.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

7. OUTCOMES

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

9.1 Internal Audit report AC2004 – Risk Management.

10. REPORT AUTHOR DETAILS

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Internal Audit Report

Governance

Risk Management

Issued to:

Fraser Bell, Chief Officer – Governance
Jonathan Belford, Chief Officer – Finance
Vikki Cuthbert, Assurance Manager
Ronnie McKean, Corporate Risk Lead
External Audit

EXECUTIVE SUMMARY

The Council's Risk Management Framework defines risk as the combination of the likelihood of an event occurring and its impact, should it occur. Once risks have been identified, the Council must respond to them in a way which maximises the Council's chances of achieving its corporate objectives. Risk management is a tool through which threats to those objectives may be identified, assessed and controlled. It may also be necessary to take calculated risks and to seize properly risk-assessed opportunities as they arise. Risk management in this context requires actions which maximise benefits whilst simultaneously minimising threats to success.

Therefore, risk management should be applied throughout the Council's structure, from the overall Council approach through the Corporate Management Team, to each and every employee of the Council.

The objective of this audit was to provide assurance over the risk management arrangements that are currently in operation within the Council. Since the approval of the current Risk Management Framework by the Audit, Risk and Scrutiny Committee in February 2018 work has progressed to implement revised and improved risk registers and supporting processes. In general, these are appropriate and maintained up to date, with limited exceptions.

Improvements have been recommended, including development of the Council's risk appetite, clarifying and improving accessibility of elements of procedure, and further reviewing the extent and frequency of risk register reviews to ensure it can be evidenced that these are being completed in line with policy and best practice.

The Service has agreed to take these on board as part of a revised Risk Management Policy which will be presented to Committee in December 2019, and through the Assurance 365 project, which aims to digitise governance processes and improve accessibility and reporting.

1. INTRODUCTION

1.1 The Council's Risk Management Framework states:

“All change and improvement activity comes with some degree of risk. Risk can be defined as the combination of the likelihood of an event occurring and its impact, should it occur. Once risks have been identified, the Council must respond to them in a way which maximises the Council's chances of achieving our corporate objectives.

Risk management is a tool through which threats to those objectives may be identified, assessed and controlled. This is often referred to as downside risk management. At the same time, we operate in an environment of reducing revenue streams and simultaneously changing demographics and increasing customer-led demand for services. In order to meet these challenges, it may be necessary to take calculated risks and to seize properly risk-assessed opportunities as they arise. Risk management in this context requires actions which maximise benefits whilst simultaneously minimising threats to success. This is referred to as upside risk management.”

1.2 Therefore, risk management should be applied throughout the Council's structure, from the overall Council approach through the Corporate Management Team, to each and every employee of the Council.

1.3 The objective of this audit was to provide assurance over the risk management arrangements that are currently in operation within the Council.

1.4 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Fraser Bell, Chief Officer – Governance, Vikki Cuthbert, Assurance Manager, and Ronnie McKean, Corporate Risk Lead.

2. FINDINGS AND RECOMMENDATIONS

2.1 Written Policies and Procedures

2.1.1 The current Risk Management Framework was approved by the Audit, Risk and Scrutiny Committee in February 2018. It was then published in April 2018 and was due for review in April 2019. Review of the framework is currently ongoing, and the expected completion date is December 2019.

2.1.2 The current framework combines both policy and procedural elements within it and does not clearly delineate the difference between the two. Policy decisions are reserved to Council or an appropriate Committee, and must be subject to periodic review, whereas operational procedures are developed, updated and applied by Officers. There is a risk of reducing operational flexibility by presenting both in combination, as future operational updates will need to wait for policy approval before they can be implemented.

Recommendation

There should be clear separation between risk management policy and procedures.

Service Response / Action

Agreed. The Corporate Management Team approved a Policy Framework in May 2019 and this is now being implemented corporately. One of the aims of the Framework is to separate policy from associated procedures. The Risk Management Framework is currently being reviewed in accordance with that Framework and will be presented as a Risk Management Policy to the Audit, Risk and Scrutiny Committee in December. Associated procedures and guidance will be developed at the same time.

Implementation Date

December 2019

Responsible Officer

Corporate Risk Lead

Grading

Important within audited area

2.1.3 The current framework covers all areas required in the process of analysing and rating risks. It also describes how to rate controls and mitigants and track them. Additional supporting documentation provides more detail in some areas, including risk identification techniques.

2.1.4 The Risk Management Framework states that development and adoption of a risk appetite statement will be considered. The Council does not currently have a defined risk appetite. Development and adoption of a risk appetite would provide a clearer basis for identifying and addressing the most relevant risks, and support decisions to take on further risks, or not to mitigate certain risks, where this may be appropriate.

Recommendation

A risk appetite should be established and documented.

Service Response / Action

Agreed. This is a key workstream within Governance and will help to ensure that our risk management approach is fully embedded and understood at all levels of the organisation. Instruction to develop risk appetite will be sought from Audit, Risk and Scrutiny Committee in December 2019 and this will be reported next year.

Implementation Date

June 2020

Responsible Officer

Corporate Risk Lead

Grading

Significant within audited area

- 2.1.5 The majority of information available about risk management is accessible to all employees of the Council from the 'Risk Management' page within The Zone. However, some of the information on this page is out of date, in that it refers to systems and Officers that are no longer part of the process. There is also no directly accessible link to current risk registers, to aid staff in their understanding of the risks affecting their work.
- 2.1.6 The risk register template within the framework covers all areas required within a risk register and ensures that there is a good level of supporting detail. However, this is only available within the framework document on The Zone as a page within a PDF document which does not make it accessible for those looking to create a new risk register. A project is ongoing to develop a new system for recording and managing risks in a more accessible manner.
- 2.1.7 The Risk Management Framework mentions that Programme / Project risk registers are used to deal with risk which "could hamper or terminate the delivery of one of our major programmes or projects, potentially impacting on the functional or corporate tiers of risk." However, the template for these is not available on the Risk Management Page within The Zone. It is available on the Project Management Page within The Zone but is formatted differently to the Corporate and Cluster risk registers. Variations between different levels of risk register presents a risk that important information may be missed or not flow through to the appropriate level.

Recommendation

Risk Management information and templates should be updated on The Zone.

Service Response / Action

Agreed. Short term measures will be taken to make templates available in one location on the Zone. Consistency between templates will be addressed as part of the Assurance 365 project, which aims to digitise governance processes and improve accessibility and reporting.

Implementation Date

December 2019

Responsible Officer

Corporate Risk Lead

Grading

Important within audited area

- 2.1.8 Project and programme risk registers are also not collated centrally or reviewed regularly by the Corporate Risk Lead. Whilst during the project or programme's lifetime it will be subject to its own agreed governance processes, this means that risk management information may not be derived consistently across all of the Council's activities.

Recommendation

Project risks should have a clear link / escalation process to other levels in the risk management framework.

Service Response / Action

Agreed. This will also be addressed as part of the Assurance 365 project.

Implementation Date

December 2019

Responsible Officer

Corporate Risk Lead

Grading

Important within audited area

2.2 Risk Registers

- 2.2.1 The corporate risk register is maintained by the Corporate Risk Lead and is reviewed monthly, in detail, by the Corporate Management Team (CMT) and annually by the Audit, Risk and Scrutiny Committee.

- 2.2.2 The register contains details and descriptions of what are considered to be the most significant risks and their impact, a risk rating derived from severity of impact and anticipated likelihood, details of mitigants and controls and consideration of their effectiveness (with explanations and action plans to bring these to fully effective where required), residual risk, dates for the completion of control actions, risk owners and risk managers. The format should be used as the template for all risk registers as per the Risk Management Framework.
- 2.2.3 While the majority of Cluster risk registers matched the formatting described within the Risk Management Framework, the Operations and Protective Services risk register is presented in a different format. It does not include a clear definition of the level of risk before and after mitigation and controls, review dates, assurance of the effectiveness of mitigants and controls, a specific risk owner, and a specific risk manager. Additionally, it contains risks that are being managed at a corporate level, such as the EU Exit.

<u>Recommendation</u>		
The standard risk register format should be used across the Council.		
<u>Service Response / Action</u>		
Agreed.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
December 2019	Corporate Risk Lead	Significant within audited area

- 2.2.4 CMT has agreed with the Senior Management Teams (SMTs) of the various Clusters that their risk registers should be reviewed monthly at their SMT meetings. However, the only written instructions relating to updating registers is within the Risk Management Framework, which states that reviews at this level require to be completed quarterly. Whilst Officers stated that registers are being reviewed monthly and were able to demonstrate their inclusion on management team agendas, this did not always result in updated registers – in some cases review dates had passed for specified actions in response to identified risks but no updates had been appended.
- 2.2.5 There is currently no update and sign-off process to demonstrate that registers are being 'reviewed' to a specified extent at the required frequency – the only indication is where dates within various sections of the document change between one version and the next. Without regular review new and emerging risks may be missed and controls and mitigants may not be in place to address the associated impact.
- 2.2.6 In contrast, Corporate risks tend to be longer term than those on Cluster registers and therefore may not change significantly on a monthly basis. Whilst regular CMT review is positive and reflects the prioritisation of risk management within the organisation, once the Risk Management Framework is more fully developed and embedded an exception reporting mechanism may provide sufficient assurance at this level.
- 2.2.7 Cluster risk registers are reviewed annually by the Corporate Risk Lead before being presented to the Audit, Risk and Scrutiny Committee, and the aligned Policy Committee for the relevant Cluster. There is currently no independent scrutiny of Cluster registers on a more regular basis. Whilst risks and the associated actions are owned and managed by appropriate Officers within each Cluster, it will be difficult for them to objectively appraise their own mitigating controls. Separate review by the Corporate Risk Lead or a form of peer review by other Clusters, on a periodic basis, could enhance compliance, provide challenge where appropriate, and encourage cross-seeding of ideas.

- 2.2.8 Risks may be escalated to higher level registers or de-escalated to lower level registers. De-escalated risks are those which are considered to no longer affect the relevant Cluster, or for which mitigants and controls are considered fully effective. It will also include risks which management have decided to accept and not mitigate against. In any case it is important that the risks are still given periodic consideration, as circumstances and the effectiveness of controls may change.
- 2.2.9 Escalating risks provides the opportunity for the next tier of management to consider them and determine whether additional actions are required. De-escalating risks removes them from the relevant register. There are no formal controls over de-escalating risks – i.e. to ensure they are added to a lower level register, and only removed where appropriate and agreed. Within the Cluster Risk Registers only the Governance Risk Register continues to track risks that have been de-escalated. While this method has been shared with other Clusters it is not yet in use.
- 2.2.10 The Risk Management Framework also indicates that assurance mapping should be carried out to demonstrate consideration of the strength of the sources of assurance in respect of mitigating controls over risks. Assurance maps have been developed in relation to Corporate Risks and Bond Governance, though only the latter has been scored to demonstrate the current level of assurance provided by each source.

Recommendation

The extent and frequency of risk register reviews, and their recording, should be reviewed.

Service Response / Action

Agreed. This will be determined within the Risk Management Policy (previously Framework) when it is presented to Committee.

Implementation Date

December 2019

Responsible Officer

Corporate Risk Lead

Grading

Significant within audited area

AUDITORS: D Hughes
C Harvey
C Johnston

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2006 – Rent Collection and Arrears Management
REPORT NUMBER	IA/AC2006
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Rent Collection and Arrears Management.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Rent Collection and Arrears Management.

3.2 Management Comments

- 3.2.1 Having reviewed the Internal Audit report and had the opportunity to comment on it, the Chief Officer – Early Intervention and Community Empowerment is content with the findings and timescales for action identified.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

- 6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.
- 7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

- 9.1 Internal Audit report AC2006 – Rent Collection and Arrears Management.

10. REPORT AUTHOR DETAILS

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Internal Audit Report

Housing

Rent Collection & Arrears Management

Issued to:

Andy MacDonald, Director of Customer Services

Derek McGowan, Chief Officer – Early Intervention and Community Empowerment

Neil Carnegie, Communities and Housing Area Manager

Fraser Bell, Chief Officer – Governance

Jonathan Belford, Chief Officer – Finance

External Audit

EXECUTIVE SUMMARY

The Council manages over 22,000 Council Houses and, at year end 2018/19, had collected £80.673 million (£80.476 million 2017/18) in rent payments compared to a total amount due of £82.538 million (80.549 million 2017/18). The total value of gross rent arrears as at 1 July 2019 was £5.607 million of which £1.028 million related to former tenant arrears. £810,000 of former tenant arrears were written off in 2018/19.

The objective of this audit was to consider whether rent collection and arrears processes are robust and are being complied with.

A clear and comprehensive Rent Management policy and related procedures are in place, covering: support available to sustain tenancies and maximise income recovery; cash collection; debt recovery; and the write off of bad debt. In general, these are being complied with.

Whilst rent accounts in credit had been reviewed as expected by the Service and refunds appropriately authorised, the policy and procedure in relation to refunds had not been documented. The Service has agreed to formalise the rent account refund policy and procedure for training and reference purposes.

Tenants at each of the stages of arrears recovery or Court referral met the requirements of the Council's procedures for the escalation action and there was evidence of contact with tenants, appropriate approvals and timely notifications to tenants. However, justification was not always recorded for instances where escalation was put on hold. The Service has agreed to record such justifications.

As at the 2018/19 year end the total value of former tenant arrears stood at £1.028 million of which £810,000 (78.8%) was written off at the end of the financial year. The Council has written off £355,000 in rent arrears between 1 April and 2 July 2019. Whilst write-offs have been carried out and recorded in line with Council procedure, these have yet to be reported to the City Growth and Resources Committee as required by the Council's Financial Regulations. The Service has agreed to address this.

1. INTRODUCTION

- 1.1 The Council manages over 22,000 Council Houses and, at year end 2018/19, had collected £80.673 million (£80.476 million 2017/18) in rent payments compared to a total amount due of £82.538 million (80.549 million 2017/18). The total value of gross rent arrears as at 1 July 2019 was £5.607 million of which £1.028 million related to former tenant arrears. £810,000 of former tenant arrears were written off in 2018/19.
- 1.2 24 FTE Assistant Housing Officers assist 50 FTE Housing Officers, responsible for the daily management of tenancies within their respective areas, reporting to 7 FTE Senior Housing Officers. Assistant Housing Officers and Housing Officers duties include maximising rental income collection and managing tenant arrears.
- 1.3 The Service uses the NPS Housing Management System (Housing Rent system) to manage and process housing rent information.
- 1.4 The objective of this audit was to consider whether rent collection and arrears processes are robust and are being complied with.
- 1.5 The factual accuracy of this report and action to be taken regarding the recommendations made have been agreed with Derek McGowan, Chief Officer – Early Intervention and Community Empowerment; Neil Carnegie, Communities and Housing Area Manager, and Doug McKenzie, Development Officer.

2. FINDINGS AND RECOMMENDATIONS

2.1 Policies, Procedures and Training

- 2.1.1 Comprehensive written policies and procedures which are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance that correct and consistent instructions are available to staff, important in the event of an experienced employee being absent or leaving.
- 2.1.2 The Council's Rent Management Policy aims to support tenancy sustainment, prevent homelessness, and maximise rental income, through an early intervention and prevention model. The policy seeks to: empower tenants to meet their tenancy obligations; deliver support to tenants experiencing difficulties paying their rent; and only instigate legal action to recover debt and for tenancy repossession in appropriate circumstances. The policy was prepared in August 2018 and is comprehensive and clear, describing: support offered to tenants; payment methods; availability of online access to rent account statements for tenants; recovery of arrears and factors to consider before court action is taken; treatment of bad debts; performance management and quality assurance; and, the legislation the policy seeks to comply with, including the Housing (Scotland) Act 2001.
- 2.1.3 The Rent Management Policy is supported by a number of procedures, including the Current Secure Pre-Court procedure and the Current Secure Court and Eviction procedure, which describe the arrears recovery escalation process and arrangements for recovering property and debt from Council tenants via Court; both were comprehensive, clear and current. Other procedures which clearly describe the related processes include: the payment arrangements user guide; procedures for the cash receipting system Interface reconciliation; rejected direct debit items process; rent arrears repayment arrangements; and the write off procedure (to be used in conjunction with Financial Regulations).
- 2.1.4 The Service advised that training is available during staff induction, covering policy, procedures and performance. This is then followed up with a one to one, covering the correct treatment of the staff member's current work tray cases in the Housing Rent system, followed by technical training on the Housing Rent system delivered by the Systems Development team. This introductory training is not recorded, meaning it is not clear if staff have been made aware of their duties and responsibilities under the policies and procedures and how to operate the Housing Rent system, increasing the risk staff will fail to act as expected in relation to rent collection and recovery of rent arrears.

2.2

Recommendation

A training needs analysis should be prepared for Housing staff recording the training required by staff members and whether or not training has been completed.

Service Response / Action

Agreed.

Implementation Date

October 2019

Responsible Officer

Development Officer

Grading

Important within audited area.

ent Collection

- 2.2.1 Rental charges for Council houses are due on a weekly basis. Tenants have the option to make these payments weekly, fortnightly, 4-weekly or monthly and can elect to pay by: Direct Debit; Standing Order; by credit or debit card online through the secure WebPay system or over the Automated Telephone Payment system; in person at a Post Office or

Pay Point outlet; or in person at one of the Council's five Kiosks.

2.2.2 All tenants, other than those who choose to pay their rent by direct debit or standing order, are issued with a barcoded plastic rent payment card which holds details of the relevant rent account to which payments should be allocated. Tenants are required to present the card when making payments at the Post Office, Pay Point outlet, or Kiosks to ensure the payment is credited to the correct rent account.

2.2.3 All payments except standing orders and direct debits are lodged in the General Bank Account, and, with the exception of direct debits, are processed through the Cash Receipting System which automatically updates the NPS Housing Management System with the payment details daily. There are separate bank accounts in operation for direct debit and standing order payments.

Direct Debits

2.2.4 Tenants can opt to pay their rent by Direct Debit, on any day of the month, at a frequency that suits. This flexibility is to promote the use of direct debits as it is an efficient means of improving rent collection rates. Details of the Direct Debit payments to be claimed from tenants' bank accounts are extracted from the NPS Rent Management system daily and forwarded to BACS Payment Services via the C-Series BACS system in order that customers' bank accounts can be debited. The tenants' rent accounts are updated to reflect the payment amount requested. The total sum received for the period is then credited to the Council's Direct Debit bank account and should equal the amount requested.

2.2.5 Should a Direct Debit payment be rejected the amount will be deducted from the Council's bank account and the details of the failed payments are downloaded from the BACS Payment Services website. Rent Accounts will debit the previously credited rent account and separately a Housing Officer/Assistant Housing Officer will issue a letter or text message to the tenant, advising of the direct debit payment failure.

2.2.6 A sample of ten Direct Debit payment requests and ten rejected payment requests was tested and the associated rent accounts had been updated appropriately. The tenants were notified by letter or text message where direct debits were rejected.

Standing Order Payments

2.2.7 Standing orders are originated from the tenant, and it is the tenant that is responsible for ensuring that the correct rent reference number is included in the payment. If a reference is incorrect, the payment is accepted but is posted to a suspense account (see section 2.8 below) in the rent system until the Service can establish which rent account the payment should be credited to.

2.2.8 To ensure that rent payments made through the Standing Order Bank account are being credited to the correct rent account a sample of ten standing order payments received was selected from the cash receipting report and verified to the rent account. All payments were accurately and timeously posted.

Other Payment Methods

2.2.9 Ten income transactions paid through automated telephone, kiosk, and Web Pay were selected from the cash receipting system and it was confirmed that they had been credited to the correct rent account timeously.

2.3 Refunds

- 2.3.1 Tenants can request a refund of a rent account credit balance. In addition, the Rent Accounts team reviews current tenant credit balances on a monthly basis, and former tenant credit balances weekly using a Credit Report produced by the Quality Assurance and Performance Management Team (in conjunction with the Terminated Tenancies report to identify former tenants).
- 2.3.2 Due to the large number of accounts in credit, the Rent Accounts Team will only contact current tenants, by way of letter, regarding repayment or transfer of credit balances, which are equal to or exceed £750, while former tenants will be contacted regarding credit balances which are equal to or exceed £25.
- 2.3.3 As at 4 June 2019, 6,790 current tenants were in credit totalling £1,276,000, and 6,536 former tenants were in credit totalling £297,000; 148 current tenant rent accounts had a credit balance exceeding £750 while 3,224 former tenants had a credit balance exceeding £25.
- 2.3.4 Refunds are authorised by the Rent Accounts Officer and the Senior Rent Accounts Assistant who can refund up to £10,000. Payment vouchers are raised by the Rent Accounts Assistant for authorisation and subsequent manual entry to the relevant rent account. Payment vouchers with a batch header are passed back to the authoriser to check the refund and ensure the rent system has been updated correctly. Once this is confirmed, the Rent Accounts Assistant will enter the refund in eFinancials to enable payment to be issued. Paperwork is scanned and the refund details are updated on a spreadsheet maintained by the Rent Accounts team.
- 2.3.5 The Rent Accounts Officer confirmed that there is no agreed policy or procedure in relation to rent account credit refunds.

Recommendation

The rent account refund policy and procedure should be formalised.

Service Response / Action

Agreed.

Implementation Date

October 2019

Responsible Officer

Rent Accounts Officer

Grading

Significant within audited area.

- 2.3.6 A sample of twenty current and ten former tenants with credit balances was reviewed to ensure the tenants were contacted where required regarding their credit balance as indicated by the amalgamated notes field in the rent system. This was found to be the case. Only two of the tenants requested a refund when notified of their credit balance. The remaining tenants did not respond and so credit balances remained. Fifteen of the current rent account credit balances were due to tenants prepaying rent, whilst five were in credit because they were paying rent, when in receipt of Housing Benefits. One rent account was in credit by £9,218. The Rent Accounts Officer confirmed that the tenant was in receipt of Housing Benefits, however they are still paying full rent despite three letters to notify them of their credit position. The Rent Account Officer has now referred the tenant to Revenues and Benefits to establish if the tenant should be entitled to Housing Benefit.
- 2.3.7 Between the 1 April and 23 July 2019 approximately £106,000 (£23,000 former tenants and £83,000 current tenants) credit balances were refunded to 279 tenants (102 former tenants and 177 current tenants).

2.3.8 A sample of forty (twenty current and twenty former tenants) refunds was reviewed to ensure the refund was appropriately authorised, and the correct tenant rent account had been updated to reflect the refund per the payment voucher. This was found to be the case.

2.4 Current Tenant Arrears

2.4.1 Tenant arrears should be pursued in accordance with the Council's Rent Management Policy and the Current Secure Pre-court Procedure.

2.4.2 Where a tenant remains in arrears over a consecutive 4 week period and the balance is £150 or more, a first reminder (AR01) is generated within the rent system. Before the reminder is authorised and printed for delivery, Housing staff will attempt to make contact with the tenant to make arrangements for the arrears amount to be cleared. If no response is obtained the letter will be hand delivered in order to maximise tenant engagement in relation to their arrears and to provide a greater level of assurance that letters have been delivered, to reduce the risk of legal challenge.

2.4.3 If a repayment arrangement with the tenant has not been made and the tenant's arrears are £250 or over two weeks after the first reminder, a second reminder letter is automatically generated as a pending action. The Service will again try to make contact with the tenant to make arrangements for the arrears to be paid. Failure to do so will result in the letter being printed and hand delivered.

2.4.4 If a repayment arrangement with the tenant has not been made and the tenant's arrears are £400 or over two weeks following the authorisation of the second reminder letter, a Pre-Action Requirement Letter (PARL) is created as a pending action for Housing Staff. Before this letter is issued, Housing Staff will try to contact the tenant and explore the reason for the arrears and where possible offer advice and support.

2.4.5 The Service advised that timeframes within the procedures and the prompts within the system are viewed as guidelines and reminders. Decisions to escalate are taken by housing officers, taking personal circumstances into account with a view to retaining tenancies and court enrolment being as a last resort.

2.4.6 The Arrears Recovery Team, headed up by the Senior Arrears Recovery Officer, is responsible for the administration of all cases where legal action is considered necessary. In cases of persistent, on-going rent arrears or default on payment arrangements agreed with a tenant, the Council policy states that whilst legal action is deemed a solution of last resort it will be pursued, and that eviction will be considered only as a final step in the legal process.

2.4.7 A review of arrears cases taken forward by the Arrears Recovery team for legal action confirmed that throughout the process, tenants are encouraged to engage with the Council in an effort to resolve their arrears situation and are sign posted to specialists able to provide support and advice if requested. In cases where tenants refuse to engage or persistently fail to comply with agreements made, then requests to the Court to grant a decree to evict may be pursued. In 2018/19, 358 decrees were granted and 83 repossessions took place. In 2017/18 the figures were 583 and 123 respectively.

2.4.8 The Current Secure Court & Eviction Procedure 2018 stipulates the process the Arrears Recovery Team will undertake to recover arrears via the court process. The stages detailed include relevant parameters relating to time and value of arrears.

2.4.9 A sample of ten tenants (where numbers allowed) at each of the stages detailed (ninety three tenants in total) was reviewed to confirm the stage of recovery or Court referral met the requirements of the relevant procedure, there was evidence of contact with tenants to

discuss their circumstances and where the Task Manager escalation action was authorised, this and the related notification to the tenant was made in a timely manner. This was found to be the case.

- 2.4.10 Of the nine escalation actions set to pending six had no record of the justification for doing so. This increases the risk of arrears increasing and delays recovering Council property where required.

<u>Recommendation</u>		
Justifications for setting escalation actions to pending should be recorded.		
<u>Service Response / Action</u>		
Agreed.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
October 2019	Development Officer	Significant within audited area.

2.5 Arrears Arrangements

- 2.5.1 Guidance has been provided to Housing Officers to assist them in determining arrears repayment arrangement amounts with tenants. There are three suggested minimum payment amounts which are applicable depending on the tenant's circumstances. When a tenant is unable to pay the suggested minimum amount the Housing Officer will use the Department for Work and Pensions Applicable Amount calculation to determine if the tenant has any surplus income. An expected repayment amount would be 10% of surplus income. Within the guidance, staff are advised that the repayment arrangements as detailed above are not binding on the Housing Officer and that they are encouraged to show flexibility to those on the lowest income levels.

- 2.5.2 As at 15 July 2019, there were 364 arrears payment arrangements in place. A sample of ten of these was reviewed and they were found to have been created in line with procedure. One of the ten tenants had missed a repayment; the tenant was contacted to make them aware and offer support.

2.6 Former Tenant Arrears & Write Offs

- 2.6.1 As at the 2018/19 year end the total value of former tenant arrears stood at £1.028 million of which £810,000 (78.8%) was written off at the end of the financial year. The Council has written off £355,000 in rent arrears between 1 April and 2 July 2019.
- 2.6.2 A sample of 10 arrears balances which had been written off was reviewed. All write offs followed the Council's Write Off procedure, with the rent system updated correctly and the write-off reasons adequately supported.
- 2.6.3 Financial Regulation 5.3.4 states that the Chief Officer – Early Intervention and Community Empowerment has the authority to write off former tenant's arrears and associated housing debts up to the value of £10,000 per debtor and report the number, value and reasons to the City Growth and Resources Committee on an annual basis. Proposed write offs exceeding £10,000 must be referred by the Chief Officer – EI&CE to the City Growth and Resources committee for approval, including individual details of each debt and the reasons for recommending write-off. Since the City Growth and Resources first meeting on 24 April 2018, former tenant arrears write offs, which have all been under £10,000, have not been reported to the Committee.

Recommendation

Former tenant write offs should be reported to City Growth and Resources Committee.

Service Response / Action

Agreed. Report will be submitted to the next City Growth and Resources Committee.

Implementation Date

September 2019

Responsible Officer

Communities and Housing
Area Manager

Grading

Significant within audited
area.

2.7 Reconciliation

- 2.7.1 The Bank Reconciliation Team, who are independent of the rent collection function, reconcile the housing rent income recorded in the cash receipting system to the housing rent income recorded in the rent system, and circulate the results highlighting reconciling differences, to the Housing Team. Any imbalances will be investigated using the reports provided, which include data such as the date of transaction, amount, payment method, and payment reference.
- 2.7.2 The May 2019 reconciliation was reviewed to ensure it was accurate and that reconciling items were clearly explained and circulated to Housing in a timely manner, to take corrective action as required. This was found to be the case. The reconciling difference as at 31 May 2019 was approximately £80,000 which related to a timing difference caused by cash relating to automated telephone and online payments, received on 31 March 2019, not being recorded in the rent system until 1 April 2019.
- 2.7.3 The procedure for the cash receipting system Interface Reconciliations requires the housing rent reconciliation to be prepared monthly. It was noted that the March 2019 and April 2019 reconciliations were not circulated to the Housing team. This increases the risk of housing rent not being recovered or recorded as expected.

Recommendation

Reconciling items should be circulated monthly.

Service Response / Action

Agreed.

Implementation Date

Implemented

Responsible Officer

Finance Controls
Accountant

Grading

Important within audited
area.

2.8 Suspense Account

- 2.8.1 The Housing system operates a suspense account, and a clearing account, for Housing Rents in the event that any transaction cannot be posted to the appropriate account. The suspense account records all transactions that cannot be posted to a verifiable rent account, e.g. rent account reference error. If the Rent Accounts team can identify the correct rent account reference, the funds will be transferred to that account. If a rent account reference is unavailable and the customer's bank details are present, the Rent Accounts team will refund the funds back to the relevant customer's bank account.
- 2.8.2 The clearing account is used by the Rent Accounts team to reallocate any non-rent transactions that have been posted to the Rent System in error. Where the nature of the payment and customer reference can be identified, an instruction is passed to Payments Control, who will debit the clearing account and transfer the funds to the correct customer

account. The Bank Reconciliation team also post unallocated standing order income to the clearing account, where it is believed the unallocated income relates to Housing rent. The Rent Accounts team will try to reallocate these funds to a rent account but if unable to do so, the funds will be returned to the bank account they came from.

- 2.8.3 The Rent Accounts Officer reviews the suspense account and clearing account on a daily basis, to investigate and clear transactions as appropriate.
- 2.8.4 As at 25 July 2019 the balance in the suspense account was £5,141 and the balance in the clearing account was £6,831. On reviewing the accounts, it was evident that transactions had been cleared regularly. The Service advised that the transactions remaining cannot be reallocated since the payment references provided by the tenant or debtor are incorrect and cannot be attributed to a recognised rent account or other Council debt. The income is therefore held in suspense or clearing until claimed by the relevant customer.

2.9 Performance and Reporting

- 2.9.1 According to the Improvement Service Local Government Benchmarking Framework (LGBF) performance information, as at 31 March 2018 (most recent Scotland wide data available), the Council performed better than the average Council in Scotland in relation to gross rent arrears as a percentage of rent due for 2017/18 (Council: 5.3%, Scotland average: 6.7%). Further, as reported to the Scottish Housing Regulator, rent collected as a percentage of total rent due in 2017/18 was 99.9% (Scottish average 99.4% in 2017/18).
- 2.9.2 The Scottish Social Housing Charter sets out the standards and outcomes that landlords should achieve. The Council is required to report on its performance as a landlord against the Charter by the 31 May annually. The Service submitted the 2018/19 annual return on the charter to the Housing Regulator on 30 May 2019.
- 2.9.3 A comprehensive and clear Performance Management Framework is in place for the Housing Service which describes the means by which performance is monitored, recipients of reports and the frequency of reporting.
- 2.9.4 Performance is updated on the Council's Housing Performance website, available to the public. This includes monthly Budget and Housing Performance group reports which cover a number of housing performance indicators, including value for money (rent arrears and loss of rent due to voids). Reports had been issued monthly since March 2019 with the exception of May 2019.
- 2.9.5 Annual "Your Housing" performance reports are also published on the Housing Performance website, with the most recent report published relating to 2017/18. The Your Housing reports cover a range of performance indicators, similar to those reported in the monthly Budget and Housing Performance group reports, including annual rent due and rent collected.
- 2.9.6 Housing performance is reported quarterly to the Operational Delivery Committee as part of the Operations Delivery Performance report, including performance in relation to arrears. This was reported as expected most recently on 16 May 2019.

AUDITORS: D Hughes
A Johnston
C Simpson

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny Committee
DATE	25 th September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Information Governance Management Annual Statement 2018-2019
REPORT NUMBER	COM/19/325
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Martin Murchie
REPORT AUTHOR	Caroline Anderson
TERMS OF REFERENCE	1.4

1. PURPOSE OF REPORT

To provide Committee with an annual report on the Council's Information Governance Performance, including information about the changes implemented through the Council's information assurance improvement plan.

2. RECOMMENDATION(S)

It is recommended that committee:

- 2.1 Note the information provided about the Council's information governance performance at sections 3.1 – 3.5 and in the Information Governance Report at Appendix 1.

3. BACKGROUND

Annual Information Governance Performance Report

- 3.1 The Council's Audit, Risk and Scrutiny Committee agreed the Council's revised and updated Information Governance Management & Reporting Framework in September 2016; as part of this the Committee agreed to receive an annual report in relation to the Council's information governance performance, this is the third of these reports.
- 3.2 Ensuring the proper use and governance of the Council's information and data is an ongoing activity. New and changing legislation, systems, staff, and ways of doing business, as well as new and emerging cyber threats all shape and change the environment within which the Council operates in relation to effective use and governance of its information and data.

- 3.3 Keeping up means a careful balancing between the requirement to monitor and be adaptable to our changing environment, and the requirement to agree and implement assurance improvements over the medium term.
- 3.4 To this end, actions to improve assurance in the medium term are identified, actioned and monitored through the Information Governance and Cyber Security risks on the Corporate Risk Register; regular updates on which are reported separately to the Council's Audit, Risk & Scrutiny Committee.
- 3.5 Please refer to Appendix 1 for the consolidated Annual Report on the Council's Information Governance Performance from July 2018-June 2019.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. There are potential indirect financial implications related to penalties for non-compliance, as outlined at section 5.3, below.

5. LEGAL IMPLICATIONS

- 5.1 The Council's use and governance of its information is subject to a variety of legislation including: The General Data Protection Regulation, the Data Protection Act 2018, the Public Records (Scotland) Act 2011, the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004, and the Re-use of Public Sector Information Regulations 2015.
- 5.2 The Annual Information Governance Performance Report at Appendix 1 forms part of the Council's wider Information Governance Management and Reporting Framework and is a key component of ensuring that the Council is undertaking adequate monitoring of its compliance with the above legislation.
- 5.3 The General Data Protection Regulation and the Data Protection Act 2018 came into force on 25 May 2018 and brought significantly increased penalties for non-compliance with data protection law than was previously the case. The maximum penalty for non-compliance is now 4% of turnover, or €20 million, whichever is higher. 4% of the Council's turnover is £32.3 million, based on its overall revenue budget of £806 million.
- 5.4 As outlined in this report, the General Data Protection Regulation and the Data Protection Act 2018 has introduced other changes to data protection law which the Council have been required to address to ensure compliance. The approach taken to date has been focussed on ensuring that the Council is in a position to comply with the provisions of the new General Data Protection Regulation, to mitigate the risk that the Council would be subject to enforcement action and financial penalty.

- 5.5 When the UK leaves the EU the General Data Protection Regulation will be incorporated into UK law under the European Union (Withdrawal) Act 2018. It is therefore not anticipated that Brexit will impact significantly this compliance requirement.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	There are no risks arising directly from the presentation of this report. This report is part of the Council's wider Information Assurance framework which mitigates against information related risk	N/A	N/A
Legal	As above.	N/A	N/A
Employee	As above.	N/A	N/A
Customer	As above.	N/A	N/A
Environment	As above.	N/A	N/A
Technology	As above.	N/A	N/A
Reputational	As above.	N/A	N/A

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	Information and data are key assets of the Council and recognised in the Aberdeen City Local Outcome Improvement Plan 2016-26 and the Strategic Aberdeen City Council Strategic Business Plan as critical enablers of the Council achieving its priorities for people, place and economy. The activities outlined in Appendix 1 of this report framework are focussed on ensuring that the Council's information is good quality, accurate, and up to date to inform decision-making, that it is used and governed in a way which is effective and

	lawful, that the Council has the right arrangements in place to enable data to be shared appropriately and safely with partners, where this is necessary, and to ensure that our information can effectively evidence our decisions and actions so the Council can be held accountable.
Prosperous People	As above
Prosperous Place	As above

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	The activities outlined in Appendix 1 of this report framework support the Customer Service Design principles by improving the quality and availability of information to enable early resolution and problem solving, to enable customer insight and to support evidence based decision making based on accurate and up to date data.
Organisational Design	The activities outlined in Appendix 1 of this report support the Council's Organisational Design principles by ensuring that the Council has the right role and supports, in the right place to ensure the effective and lawful governance and use of the Council's information.
Governance	The activities outlined in Appendix 1 of this report support the Council's Governance Design principles by ensuring that the Council's information is able to support evidence-based decision making, is open wherever possible so the Council can demonstrate transparency and promote stakeholder engagement, and is sufficiently robust to act as evidence in support of the Council's accountability.
Workforce	The activities outlined in Appendix 1 of this report support the Council's guiding principles by ensuring that the Council's workforce has information it needs to be effective and empowered. Staff can take pride in how they handle information and for what purpose.
Process Design	The activities outlined in Appendix 1 of this report support the Council's approach to process design by that new processes appropriately consider information governance and are designed and implemented with a privacy and security by design approach.

Technology	The activities outlined in Appendix 1 of this report support the Council's approach to technology by ensuring new digital solutions are designed and implemented in a way which are secure, lawful, and in a way which respects our customers' privacy, and so fosters trust in new ways of interacting with the Council.
Partnerships and Alliances	The activities outlined in Appendix 1 of this report support the Council's approach to partnerships and alliances by ensuring that robust and lawful arrangements are in place for the information sharing required to enable effective partnerships and alliances.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	<i>Not Required</i>
Data Protection Impact Assessment	<i>Not Required</i>
Duty of Due Regard / Fairer Scotland Duty	<i>Not applicable</i>

9. BACKGROUND PAPERS

[Internal Audit Report AC1904 – GDPR](#)

10. APPENDICES (if applicable)

Appendix 1: Annual Information Governance Report 2018-2019

11. REPORT AUTHOR CONTACT DETAILS

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Information Governance Management

Annual Report 2019

Senior Information Risk Owner



**July 2018 -
June 2019**

1 Introduction

- 1.1 The Council's Audit, Risk and Scrutiny Committee agreed the Council's revised and updated Information Governance Management & Reporting Framework in September 2016; as part of this the Committee agreed to receive an annual report in relation to the Council's information governance assurance. This is the third of these reports being presented to Committee.
- 1.2 This report collates, analyses and monitors the Council's performance in relation to freedom of information, data protection and information security, to ensure that trends, issues, incidents, and breaches are dealt with appropriately as they arise.
- 1.3 Ensuring the proper use and governance of the Council's information and data is an ongoing activity. New and changing legislation, systems, staff, and ways of doing business, as well as new and emerging cyber threats, all shape and change the environment within which the Council operates in relation to effective use and governance of its information and data.
- 1.4 Keeping up means a careful balancing between the requirement to monitor and be adaptable to our changing environment, and the requirement to agree and implement assurance improvements over the medium term.
- 1.5 To this end, actions to improve assurance in the medium term are identified, actioned and monitored through the Information Governance and Cyber Security risks on the Corporate Risk Register; regular updates on which are reported separately to the Council's Audit, Risk & Scrutiny Committee.
- 1.6 The Council's compliance with the General Data Protection Regulation was subject to Internal Audit reported to Audit, Risk and Scrutiny Committee on 25th September 2018. The objective of the audit was to provide assurance that the Council has adequate arrangements in place, that are understood throughout the organisation, to protect the Council's information. The Council has adequate arrangements in place in terms of a Data Protection Officer; registration with the ICO; data protection impact assessments; the records of processing activities; data breach monitoring; data retention guidance; freedom of information requests; postage guidance; and confidential waste. A comprehensive range of training with appropriate exception reporting is in place. Recommendations identified to further refine privacy notices, contracts and information sharing have all been completed.

2. Information Governance Performance Information July 2018- June 2019

2.1 Data Protection Rights Requests

Figure 1: Annual number of requests received

Type of Request	12 months to June 2019	12 months to June 2018
Subject Access Requests	275	184
Third Party Requests	457	509
Other Rights Requests	15	No comparable data

Data Protection Rights Requests

Data Protection law gives people certain rights around their data, including the right to request access to their data.

Data Rights were strengthened with GDPR becoming enforceable in May 2018.

Third Party Requests

Other organisations (for example, Police Scotland or the Care Inspectorate) can also make requests for customers' personal data under certain circumstances.

Other Rights Requests

In certain circumstances individuals have other rights around their data: including the right to object, to erasure, to restrict processing and to data portability.

Figure 2: Requests received in the 12 months to end of June 2019

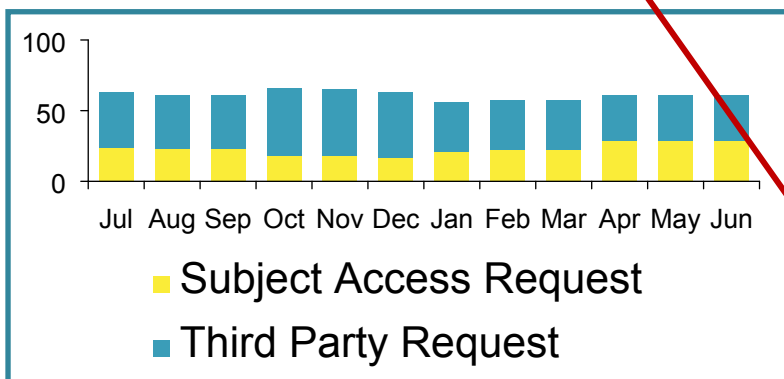


Figure 3: Requests received by Function (July 2018-June 2019)

Function	Subject Access Request	Third Party Request	Other Rights Requests
Commissioning	0	0	0
Customer	26	223	5
Operations	179	95	6
Resources	21	6	0
Governance	8	2	1
Place	7	70	0
Joint Childrens & AHSCP	7	27	0
AHSCP	17	27	3
More than one service	10	7	0

Commentary on number of requests received

In the last 12 months there has been an increase in Subject Access Requests and a decline in Third Party Requests. This follows the same trend as last year.

Figure 4: Breakdown of requests received by Cluster (July 2018- June 2019)

Cluster	Subject Access Request	Third Party Request	Other Rights Requests
Integrated Childrens & Family Services	165	94	4
AHSCP	17	27	3
Joint Childrens & AHSCP	7	27	0
Operations & Protective Services	14	1	2
Customer Experience	13	15	5
Early Intervention and Community Empowerment	13	208	0
People & Organisation	21	6	0
Governance	8	2	1
City Growth	7	69	0
Strategic Place Planning	0	1	0
More than one Cluster/Service	10	7	0

Timescales for responding

Subject Access and other Data Protection Rights Requests

The statutory timescale for responding to data protection requests is between 30 and 90 days, depending on the complexity of the information being requested.

Before 25 May 2018, the statutory timescale was 40 days.

There is no statutory timescale for responding to third party requests for personal data.

Figure 5: Corporate compliance with timescales for requests

Type of Request	12 months to June 2019	12 months to June 2018
Subject Access Requests	84%	92%
Other Data Protection Rights Requests	100%	No comparable data

Commentary on compliance

Those requests which exceed the statutory timescale for responding are requests relating to social care records which can involve reviewing and redacting large and complex case files.

Data Protection Rights Requests are now carried out as a centralised function by the Access to Information Team.

2.2 Data Protection Breaches

Figure 6: Annual number of reported data protection breaches

Breaches	12 months to June 2019	12 months to June 2018
Data Protection Breaches	135	61
Near Misses	48	No comparable data
Reports to the ICO	5	1

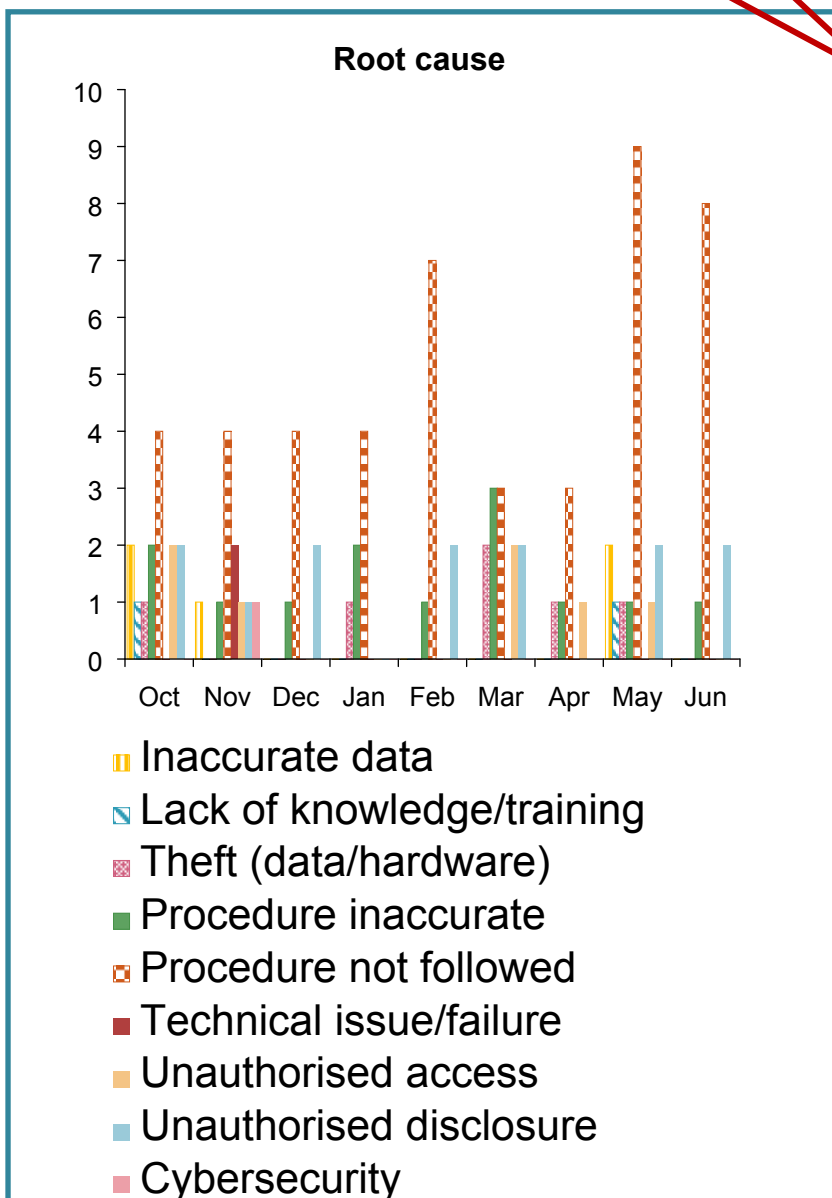
Data Protection Breaches

All information security incidents should be reported. The action taken will depend on the nature of the incident or breach. Incidents will either be classified as:

- A data protection breach
- Not a data protection breach
- Not a data protection breach but a near miss

Where a breach is likely to pose a risk to the rights and freedoms of affected individuals then the Council must also notify the Information Commissioner's Office (ICO).

Figure 7: Breaches by root cause over the last 9 months



Commentary on number and type of breaches

There has been an increase in reported data protection breaches which is likely to be attributable to increased organisational awareness of what constitutes a breach and how to report one. This increase is consistent with comparable organisations.

ICO Reported breaches

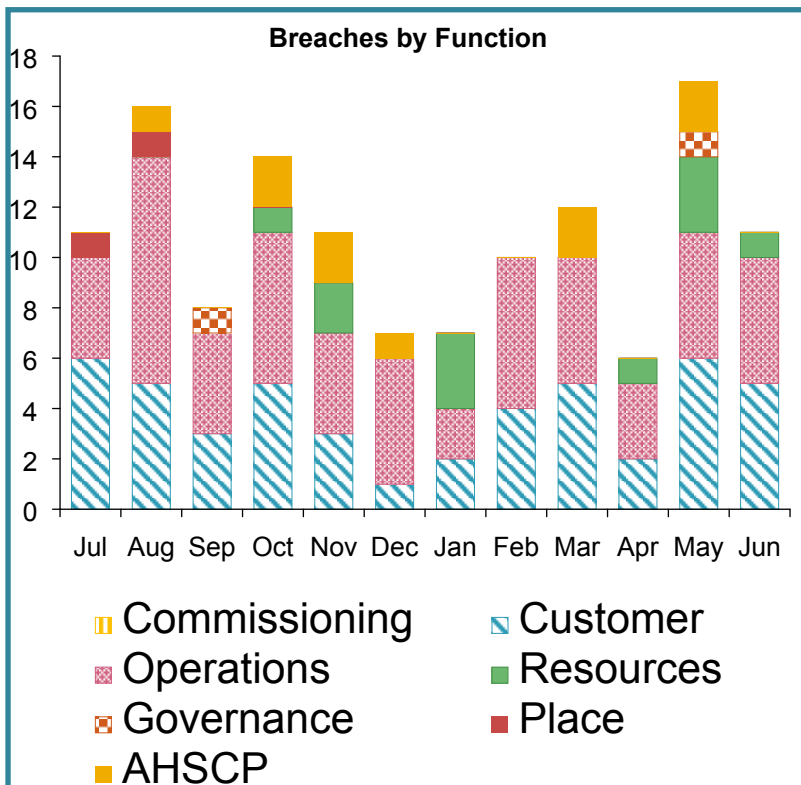
ICO notification requirements changed when GDPR became enforceable in May 2018 which provides context for the increase in ICO notified breaches from 2018. All breaches which the Council has reported to the ICO within this reporting period have been closed with no further action being taken.

Root causes and Interventions

In October 2018 a revision of breach root cause classifications was implemented to ensure that in every case following an incident or breach the right actions are being taken to strengthen the Council's controls and to help prevent a recurrence.

Council procedures are a root cause area that continue to be targeted to ensure they align to professional practice.

Figure 8: Breaches by Function in 12 months to end of June 2019



Incident and Breach Improvements

As part of the monitoring and interventions required to strengthen the Council's controls and prevent a recurrence, targeted action plans are now being implemented within Clusters directly affected

2.3 FOISA and EIR Information Requests

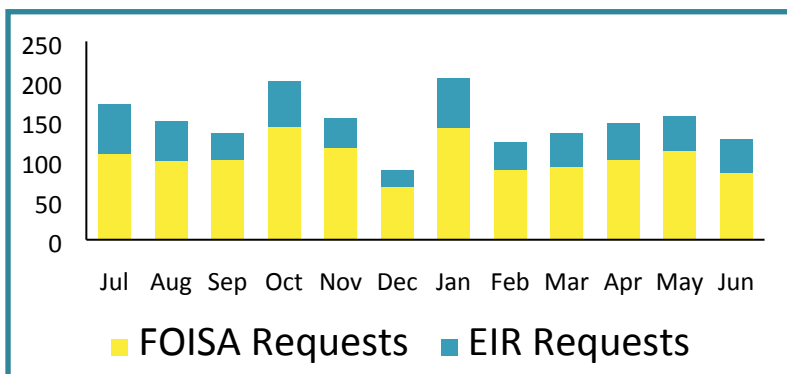
Figure 9: Annual number of requests received in the period

Number of requests received	12 months to June 2019	12 months to June 2018
Number of FOISA Requests	1254	1348
Number of EIR Requests	530	636

Figure 10: Annual Number Requester by Type received in the period

Requester by Type received	12 months to June 2019		12 months to June 2018	
	Count	Percentage	Count	Percentage
Academic	42	2%	48	2%
Campaign Group	108	6%	130	7%
Commercial	304	17%	282	14%
Journalist	353	20%	377	19%
Legal	56	3%	96	5%
Politician	160	9%	187	9%
Public	746	42%	844	43%
Public Sector	15	1%	18	1%
Totals	1784	100%	1984	100%

Figure 11: Request numbers in the last 12 months



FOISA and the EIRs in brief

The Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR) give anyone the right to request information held by the Council, subject to certain exceptions.

Timescales for responding

The Council must respond to any request we receive within 20 working days.

Commentary on requests received

The decrease in recorded requests is largely due to changes in how requests are logged and the categorisation of requests, for example the handling of a request using an alternative information rights process such as a data protection rights request.

Figure 12: Compliance with timescales in the period

Requests responded to within timescale	12 months to June 2019	12 months to June 2018
FOISA Requests	88%	94%
EIR Requests	86%	98%

Commentary on compliance

The compliance rate for April and May in 2019 fell for the following reasons:

Focus has shifted to statutory compliance on SARS, whilst ensuring FOI remains a high performing area.

Some delays are caused where multiple services are involved – solutions are being addressed.

2.4 FOISA and EIR Request Internal Reviews

Figure 13: Internal Reviews received by type in the period

Type of review received	12 months to June 2019	12 months to June 2018
No response received	20	10
Unhappy with response	16	39

Internal Reviews in Brief

If the Council does not provide a response to a FOISA or EIR request within 20 working days, or if the requester is unhappy with the response we have given, they can ask the Council to review it.

Where a requester is unhappy with our response, an internal review panel will decide whether or not to uphold the original response or overturn it.

Figure 14: Internal Review Panel outcomes in the period

Type of review outcome	12 months to June 2019	12 months to June 2018
Response upheld	13	32
Response overturned or amended	19	17

2.5 FOISA and EIR Request Appeals

Figure 15: FOISA and EIR Appeals received and closed in the period

No. of Appeals	12 months to June 2019	12 months to June 2018
Received	1	3
Closed	1	4

Right to Appeal

Where a requester remains unhappy with a response to a FOISA or EIR request after an internal review, they have the right to appeal to the Scottish Information Commissioner for a decision.

Commentary on Appeals

One appeal was received in relation to the Kingsford Stadium. ACC's response was upheld by the Scottish Information Commissioner.

2.6 Cyber Incidents

Figure 16: Annual number of cyber incidents in the period

Incident Type	12 months to June 2019	12 months to June 2018
Internal Cyber Incident Attempts Prevented	1	2
Internal Cyber Incidents	4	3
External Cyber Incident Attempts Prevented	20532717	40790746
External Cyber Incidents	6	12

Internal Cyber Incidents

These are risks or threats to the Council's information software, infrastructure or computer network that originate from within the premises or organisation.

Commentary on Internal Cyber Incidents

There were 3 incidences of password relaying recorded during the year. There has been one instance of misuse.

Commentary External Cyber Incident Attempts

There has been a significant reduction in the number of external cyber incident attempts compared with the equivalent period 12 months ago. The majority of external cyber incident attempts continue to be spam emails.

Figure 17: Internal Cyber Incidents in the period

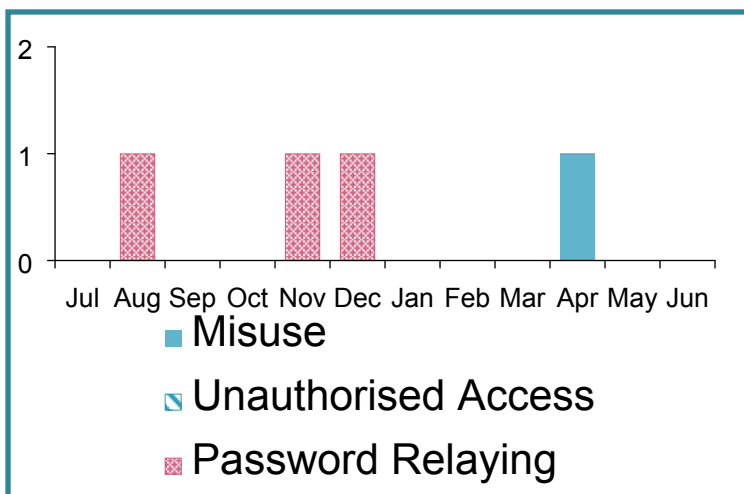
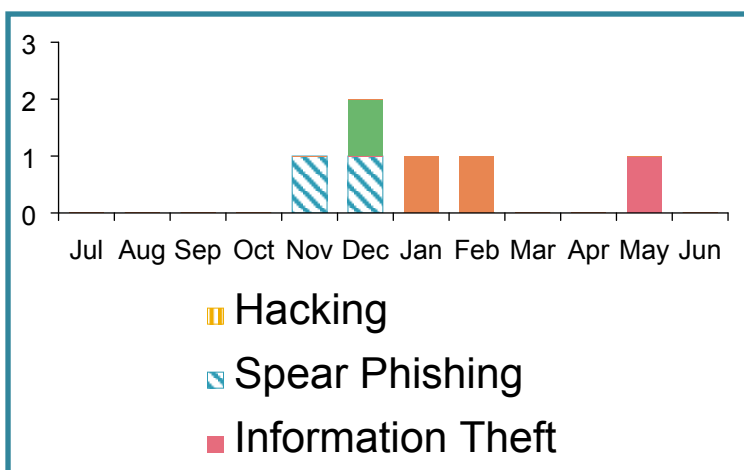


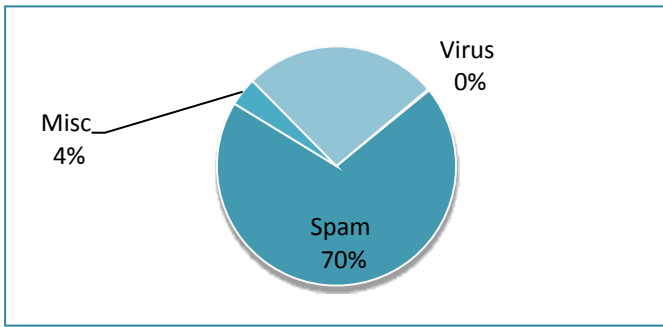
Figure 18: External Cyber Incidents in the period



External Cyber Incidents

These are risks or threats to the Council's information software, infrastructure or computer network that originate from outside the premises or from the public (e.g. hackers).

Figure 19: Breakdown of External Cyber Incident Attempts



2.7 Physical Incidents

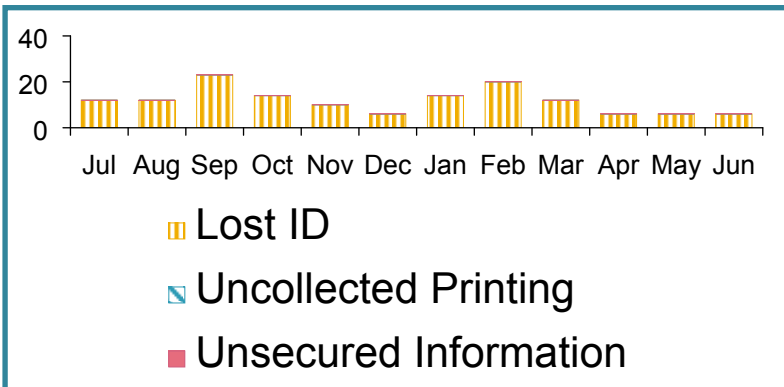
Figure 20: Physical Incidents in the period

Incident Type	12 months to June 2019	12 months to June 2018
Internal Physical Incidents	141	153
External Physical Incidents	98	72

Internal Physical Incidents

These are tangible and material risks or threats to the Council's information assets that originate from within the premises or organisation.

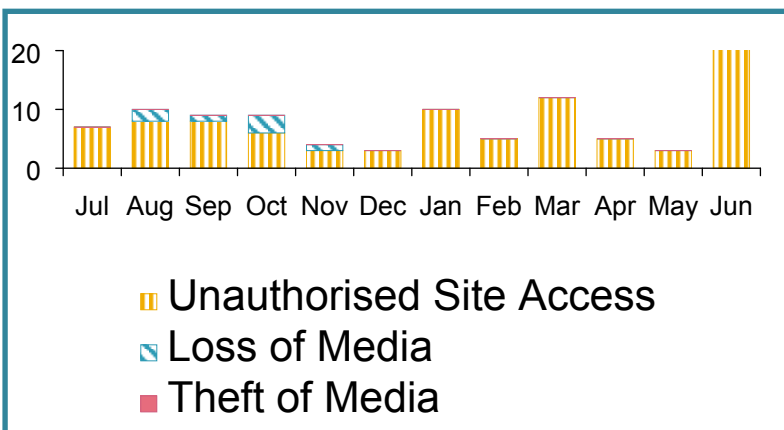
Figure 21: Internal Physical Incidents by type in the period



Commentary on Internal Physical Incidents

Overall there has been a slight reduction in the number of lost ID badges in the past 12 months. Lost badges are deactivated following notification.

Figure 22: External Physical Incidents by type in the period



External Physical Incidents

These are tangible and material risks or threats to the Council's information assets that originate from outside the premises or from the public.

Commentary on External Physical Incidents

Further information about unauthorised site access is collected via Health & Safety reporting.

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	RIPSA Quarterly Report – Quarter 3 2019
REPORT NUMBER	GOV.19.291
DIRECTOR	Chief Executive
CHIEF OFFICER	Fraser Bell - Chief Officer Governance
REPORT AUTHOR	Alan Thomson
TERMS OF REFERENCE	5.2

1. PURPOSE OF REPORT

- 1.1 It is a requirement, under paragraph 3.29 of the Scottish Government's Code of Practice for Covert Surveillance and Property interference, that elected members review the authority's use of covert surveillance on a quarterly basis to ensure that it is being used consistently with the local authority's policy and that that policy remains fit for purpose.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the update within the report.

3. BACKGROUND

- 3.1 The Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA), gives the Council powers to conduct two types of covert surveillance:
1. Directed Surveillance; and

2. the use of a Covert Human Intelligence Source (the use of an undercover officer).
- 3.2 The Council has a policy in place which governs the use and management of covert surveillance. Further, all members of staff wishing to use RIPSA, are required to undertake training prior to being able to make an application under RIPSA.
- 3.3 Various Council services use RIPSA as an investigatory tool. It is considered the “tool of last resort” in light of its intrusiveness into the privacy of the person(s) being surveyed. Council services such as Trading Standards, Environmental Health and Benefit Fraud are most likely to use RIPSA.

QUARTER 3- 2019

- 3.4 In the period from July until September 2019, there has been one authorisation for Directed Surveillance.
- 3.5 The application for Directed Surveillance was from the Trading Standards team. The surveillance was for Tobacco and Nicotine Vapour Products Test Purchasing. Test purchases for underage sale of tobacco and nicotine products are part of an enforcement initiative promoted by the Scottish Government. One part of that enforcement activity is undertaking test purchases. This can either be a random check or as part of a planned operation after complaints have been made about the shop(s) targeted. A test purchase is the only way in which Trading Standards can ascertain whether the shop is selling age restricted goods or not, and thus proves necessary to continued education and enforcement with sellers of age restricted goods such as tobacco and nicotine
- 3.6 The authorisation was cancelled within the statutory three-month period. The authorisations were executed in accordance with the Council’s policy on covert surveillance and RIPSA and have been audited by the Governance team- Legal Services as is normal practice.
- 3.7 The use of covert surveillance is restricted to certain legal purposes; crime prevention and detection, public health and public safety. The continued ability to use surveillance, in appropriate circumstances, for the investigation of offences such as the selling of age restricted goods is connected to the themes; Prosperous Place, Prosperous People and Prosperous Economy in the Local Outcome Improvement Plan (LOIP). The investigation and enforcement of regulatory laws (such as the sale of age restricted goods) by the Council, ensure that young people are protected, and communities can be assured that the Council is proactively enforcing its powers and making communities safe.
- 3.8 After an application for a covert surveillance operation is authorised by a senior officer, known as an Authorising Officer, it is sent through to the Chief Officer- Governance for logging and auditing. Members of the Governance Team within Legal Services then carry out an audit of the authorisation and raise any matters of good practice, policy or procedure with the Authorising Officer and the applicant. Officers within Legal services do not interfere with the authorisation

as that responsibility lies with the Authorising Officer. This approach has been agreed and was supported by the Surveillance Commissioner.

- 3.9 There have been no further applications for covert surveillance made or approved within this quarter.
- 3.10 There have been no changes to the Protocol and it remains fit for purpose.

TRAINING AND COMMUNICATIONS

- 3.11 Training forms a large part of RIPSA compliance and is something which all officers must have before they are permitted to carry out covert surveillance under RIPSA. The Council's training regime is something which has been commended on by the Surveillance Commissioner on the last three inspections.
- 3.12 The mandatory course is run by solicitors in Governance, Legal Services and a senior Trading Standards officer. It consists of theory, practice and practical application of the rules and procedures around RIPSA, with the aim that all attendees are equipped with the skills to apply for, and have granted, a covert surveillance application and that all attendees are trained to the same standard. There have been no training sessions delivered this quarter.
- 3.13 In July, there was a meeting with Authoring Officers where feedback on the authorisation process was shared and discussed and the possibility of creating a forum for discussion and learning was discussed. These meetings are an opportunity for officers to share practice with each other which can be a valuable tool to good and consistent practice. The next meeting is scheduled for the start of October.
- 3.14 At the start of July, a Bulletin was sent to all Authorising Officers and officers trained on RIPSA. The Bulletin contained some general feedback on recent applications and authorisations. The Bulletin also included information on a recent case involving the use of surveillance powers. The next Bulletin is due to be circulated end of September.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications arising from this report.

5. LEGAL IMPLICATIONS

- 5.1 The Scottish Government Code of Practice on Covert Surveillance sets an expectation that elected members review and monitor the use of RIPSA on a quarterly basis. This is also a matter which is taken into account by the Investigatory Powers Commissioner when they carry out their inspections.

- 5.2 A review of the Council’s RIPSA activity by elected members provides assurance that the Council’s use of RIPSA is being used consistently and that the standards set by its policy remain fit for purpose.
- 5.3 The management, knowledge and awareness of those involved with RIPSA activity was something which was commended by the Commissioner in his inspection in 2017. The reporting of RIPSA activity to Committee provides another level of scrutiny and assurance on the use of RIPSA.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	There are no financial risks arising from this report.	L	
Legal	Reporting on the use of RIPSA ensures that the Council continues to comply with the Code of Practice and that elected members continue to provide a level of scrutiny on matters of policy.	L	Quarterly reporting on RIPSA activity and the related policy to members, mitigates the risks highlighted in this section.
Employee	There are no employee risks related to this report.	L	Appropriate and mandatory training arms staff with the correct skills to carry out surveillance and thus, there is little to no risk to staff . All requests for training are met
Customer	Failure to report to and update Committee on RIPSA activity means that it would undermine public confidence in the Council and how it operates.	L	
Environment	There are no environmental risks arising from this report.		

Technology	There are no technological risks arising from this report		
Reputational	Failure to not update Committee on RIPSA activity would mean that the Council would be at risk of negative reputational damage when this is raised by the Surveillance Commissioner in their inspection.		External inspections on RIPSA activity operate every 3-4 years. This provides external assurance to the Committee of the Council's compliance with RIPSA. The Inspection Report is shared with Committee and any Action Plan created, endorsed and approved by Committee.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	This report does not link to this theme directly. The use of RIPSA activity by the Council as an investigatory tool may have an impact on the economy as a result of enforcement action taken by services such as Trading Standard, e.g. such as in enforcing the law around counterfeit goods.
Prosperous Place	Enforcement activity undertaken by the Council by using, where appropriate, its powers under RIPSA, may have an impact on this theme by tackling the selling of counterfeit goods.

Design Principles of Target Operating Model	
	Impact of Report
Governance	Reporting to this Committee on the Councils use of RIPSA ensures compliance with the Code of Practice and gives Committee assurances that the Council's use of RIPSA is being done according to its policy.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	The purpose of this report is to update Committee on the Council's use of RIPSAs. This report does not propose or endorse any changes to the Council's policy on RIPSAs not its procedure and as such, an EHRA is not required.
Data Protection Impact Assessment	The purpose of this report is to update Committee on the Council's use of RIPSAs. As such, a Privacy Impact Assessment is not required.
Duty of Due Regard / Fairer Scotland Duty	There is no requirement to consider the Fairer Scotland Duty as this report does not seek approval for any Strategic decisions and is merely providing Committee with an update RIPSAs activity.

9. BACKGROUND PAPERS

None

10. APPENDICES (if applicable)

None

11. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit Risk and Scrutiny
DATE	25 September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scottish Public Services Ombudsman Decisions and Inspector of Cremations Complaint Decisions
REPORT NUMBER	CUS/19/326
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jacqui McKenzie
REPORT AUTHOR	Lucy McKenzie
TERMS OF REFERENCE	6.9

1. PURPOSE OF REPORT

- 1.1 This report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Cremations decisions made in relation to Aberdeen City Council since the last reporting cycle to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee notes the details of the report.

3. BACKGROUND

- 3.1 A report detailing all Scottish Public Services Ombudsman (SPSO) and/or Inspector of Cremations decisions relating to Aberdeen City Council is submitted to Audit Risk and Scrutiny Committee each reporting cycle. This is to provide assurance that complaints and Scottish Welfare Fund decisions are being handled appropriately. The last report on this matter was submitted to the 26 June 2019 Committee.

Scottish Public Services Ombudsman (SPSO) Complaint Decisions

- 3.2 The Scottish Complaints Handling Procedure (CHP) followed by Aberdeen City Council is outlined by the SPSO. Details of the CHP can be accessed at www.aberdeencity.gov.uk/complaints
- 3.3 There are two SPSO decision relating to Aberdeen City Council complaints to notify the Committee of. One complaint was not upheld by the SPSO and the other was upheld with recommendations made. Please refer to Appendix A for further information.

Scottish Public Services Ombudsman (SPSO) Scottish Welfare Fund Review Decisions

- 3.5 The Scottish Welfare Fund is delivered by Local Councils across Scotland and offers two types of grants – Crisis Grants and Community Care Grants. Further information is available at <https://www.aberdeencity.gov.uk/services/benefits-and-advice/apply-scottish-welfare-fund>
- 3.6 There has been one SPSO Second Tier Review in relation to Aberdeen City Council Scottish Welfare Fund application decisions since the last reporting period. The council's decision remained unchanged as the SPSO agreed that the application was for an item excluded under the fund. Please refer to Appendix B for further information.

Inspector of Cremations Decisions

- 3.7 The Inspector of Cremations responds to complaints or queries from the public about cremations. There have been no decisions by the Inspector of Cremations in relation to Aberdeen City Council cremations to date.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

Category	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Each time a complaint escalates it is more costly to the council than the previous stage due to the effort involved, therefore financially it is in the council's best interest to resolve complaints early in the process. There is also a risk that the council may be required to undertake additional actions as a result of an SPSO decision, including financial compensation.	L	The complaint handling procedure encourages frontline resolution whenever possible and there is guidance and training in place to support staff in effective complaint handling. The financial benefit of early resolution is highlighted to responding officers in training.
Legal	There are no legal risks associated with this report.	N/A	Not applicable
Reputational	Compliance with the Complaints Handling Procedure is audited by Audit Scotland. Non-compliance carries reputational risk. Customer perception of the council could also be negatively impacted if complaints and Scottish Welfare Fund applications are not handled correctly.	L	There is a centralised Customer Feedback Team responsible for ensuring that complaints are being handled consistently and appropriately across the council. Staff within the Scottish Welfare Fund Team receive comprehensive training to ensure applications are handled correctly and there is a robust procedure in place to review decision making when necessary.
Employee	Staff morale may be lowered as a result of a negative outcome of a SPSO decision.	L	Whilst it is not pleasant to receive a complaint, officers are encouraged to view complaints in a positive

			light, as a learning point going forwards.
Customer	There is a risk to the council's relationship with customers if a complaint or a Scottish Welfare Fund application is not handled correctly.	L	Support in complaint handling is available to responding officers through a variety of methods. In addition, all Stage 2 responses are also quality assured to ensure that responses are appropriate. Officers responsible for Scottish Welfare Fund applications receive full training to ensure they have the necessary knowledge to undertake assessments.
Environment	There are no environmental risks associated with this report	N/A	Not applicable
Technology	There are no technological risks associated with this report.	N/A	Not applicable

7. OUTCOMES

The proposals in this report have no impact on the LOIP.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	The report supports a focus on the delivery of customer centric services through the scrutiny of service delivery to customers. The organisation should look to solve the core issue which led to the complaint and learn from the outcome so to reduce the potential for more / similar complaints. This leads to an improvement in customer service delivery and a reduction in time spent on handling and investigating repeat complaints, which can be a lengthy process for those involved.

Organisational Design	The report focuses on complaints outcomes which provide rich customer insight for the organisation to act upon to help transform service delivery.
Governance	The report ensures transparency around complaint and Scottish Welfare Fund application handling and provides assurances that informed decisions are being made.
Workforce	The outcomes of SPSO decisions are fed back to the relevant staff. This includes both upheld and not upheld decisions to engage staff and ensure they are fully informed of outcomes. The information is also used to inform changes in working practices and training provision for staff to improve their experience as well as that of the customer.
Process Design	Processes may be redesigned as a result of lessons learnt from a complaint or an SPSO decision to better meet the needs of customers.
Technology	Complaints data can help to inform decisions around the use of technology as it provides insight into the customer experience of accessing services digitally.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable.

9. BACKGROUND PAPERS

N/A

10. APPENDICES (if applicable)

Appendix A – Complaint Details and Subsequent SPSO Recommendations
Appendix B - Scottish Welfare Fund SPSO Review Decisions

11. REPORT AUTHOR CONTACT DETAILS

Lucy McKenzie
Senior Customer Experience Officer
LucyMcKenzie@aberdeencity.gov.uk
01224 346976

Appendix A - Complaint Details and Subsequent Recommendations

Complaint Received Date	SPSO Decision Date	Complaints Investigated by the SPSO	Cluster	SPSO Decision	SPSO Recommendations	Date Implemented
11 December 2017	19 August 2019	The Council have unreasonably failed to take action over bins being stored on Crown Street.	Operations and Protective Services	Complaint upheld	<p>1) The Council should apologise for the failures in relation to record keeping and providing evidence of their actions.</p> <p>2) The Council should make a new offer to engage with the complainant in order to identify solutions to the bins storage issue.</p> <p>3) The Council should consult with residents and inform them of the results.</p> <p>4) The Council should review the bins on Crown Street to identify and remove any that are unwanted or unused.</p> <p>5) The Council should carry out and record an assessment of whether Crown Street would be suitable for communal bins.</p> <p>6) The Council need to ensure that complaint responses are based on contemporaneous written evidence, not only on unsupported staff recollections. Feedback to be provided in a supportive manner to complaints handling staff that complaint responses must reflect the available evidence, or lack of it.</p>	<p>Implemented w/c 16 Sept 19</p> <p>Implemented w/c 16 Sept 19</p> <p>To be implemented by 19 Oct 19</p> <p>To be implemented by 19 Oct 19</p> <p>To be implemented by 19 Oct 19</p> <p>Implemented w/c 16 Sept 19</p>

Complaint Received Date	SPSO Decision Date	Complaints Investigated by the SPSO	Cluster	SPSO Decision	SPSO Recommendations	Date Implemented
15 November 2017	Provisional decision 12 August 2019. Final Decision yet to be received.	<p>1) The restrictions put in place in relation to the complainant's son were unreasonable (not upheld)</p> <p>2) information about the complainant's son was inappropriately shared with a health visitor (not upheld)</p> <p>3) the Council did not respond to your complaint appropriately (not upheld)</p>	Integrated Children's and Family Services	Complaint not upheld	None	Not applicable

Appendix B – Scottish Welfare Fund SPSO Review Decisions

Crisis Grant Application Received Date	Application Type	Aberdeen City Council 1st Tier Review Decision Date	SPSO 2nd Tier Review Decision Date	SPSO Decision	Additional SPSO Feedback	Date Implemented
31 July 2019	Crisis Grant	5 August 2019	9 August 2019	Aberdeen City Council decision unchanged	None	Not applicable